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CIS Executive Secretary Pays Visit to PRC

LD0601214094 Moscow ITAR-TASS World Service in Russian 1257 GMT 6 Jan 94

[ITAR-TASS correspondent Grigoriy Arslanov, Vyacheslav Tomilin]

[Excerpt] Beijing, 6 January—Ivan Korotchenya, the CIS executive secretary, has arrived in Beijing today on a week-long visit.

Although the high-ranking representative of the Commonwealth is visiting the PRC at the invitation of the nongovernmental Chinese People's Diplomacy Association, he will hold talks with Tian Zengpei, Chinese first vice minister of foreign affairs, as well as official meetings with a number of other Chinese statesmen. Issues relating to the situation in the CIS will be in the focus of their attention, together with the prospects of developing cooperation between China and the Commonwealth countries.

In addition to Beijing, he will also visit the city of Guangzhou and the special economic zone of Shenzhen in the south of the country where results of the economic reform are especially noticeable. [passage omitted]

Polish Businessmen Seek Eastern Trade Ties

PM0601145494 Moscow ROSSIYSKIYE VESTI in Russian 6 Jan 94 p 6

[Article by correspondent Vladimir Kiryanov: "Capitalists of Poland, Unite To Trade With the East!"]

[Text] Warsaw—Those were approximately the words with which Stanislaw Ciosek, Polish ambassador to Russia, appealed to participants in the "Poland and the East" economic forum held recently in the city of Krynica. Here there was an exchange of opinions among experts, politicians, scientists, and entrepreneurs from four neighbor-countries—Poland, Russia, Ukraine, and Belarus. They discussed a "hot" topic: how to establish regional economic collaboration.

"A very necessary exchange of ideas is taking place at our forum, and impulses are being generated which will help businesspeople to arrive at real contracts," Yuriy Kashlev, Russian ambassador to Poland, told ROSSIYSKIYE VESTI's correspondent.

It is hard not to agree that there is a great need for ideas and powerful impulses at the present transitional stage. As S. Ciosek noted, Poland and its eastern neighbors at present have very little chance of competing with giant international capital. In his opinion, the central-eastern and eastern countries should pool their efforts and create major economic structures. Something else is also important. "The governments must adopt a clear stance," S. Ciosek said. "We all have similar conditions for the creation of mechanisms to facilitate an advantageous exchange of goods and services. But the mechanisms do not yet exist. Unfortunately, bureaucrats in both countries—Poland and Russia—are too accustomed to mere talk, to slogans and assurances, to consensus that is merely verbal."

The state should also help to create the necessary international accounting centers and think about guarantees for businessmen, the creation of insurance companies—everything that, in the West, makes it possible to avoid risk in trade. There is a lot of talk about this too, but everything stays the same. "I think the Russians do not really know what they could buy from us," S. Ciosek lamented. "They think of Poland in terms of apples and potatoes. So they go to other countries to look for technology..."

Of course, it is no bad thing that the Poles have learned to sell us potatoes and apples. But Poland has already been invited to participate in joint conversion projects with Russia in the aviation industry, transportation, and other sectors, projects which will have their application in the 21st century. Poland, for its part, could offer the Russians some of its own technologies for joint development.

And here is the opinion of Polish Marshal Jozef Oleksy, who agrees:

"In central-eastern Europe and Russia," he said, "in the course of changing the former systems, people have been strongly attracted to a model of development based on unilateral cooperation and integration in a Western direction. The time has now come to reflect on this phenomenon. Whichever way you look at it, it must be admitted that no system of aid from the West—which is selfish and does not always have a full picture of the extent of real changes in the East, and furthermore has its own recession and economic difficulties—can resolve problems relating to changes in the economic structures and the economic development of Russia, Poland, Ukraine, and Belarus. This means that, while maintaining close links with the world economic system, it is necessary at the same time to seek a basis for change in our own potential and in the development of economic collaboration within the region."

It is first and foremost a question of government regulation, government guarantees and insurance for firms, and the formulation of customs and taxation agreements. Only then will private and state firms active in the international market be able to operate efficiently....

Yevgeniy Rogovskiy, Russia's trade representative in Poland, noted that support from the governments for the entrepreneurial activity which we would like to initiate must take the form, first and foremost, of the creation of permanent information systems which report to one another not on trivia, but on major areas of internal demand.

He gave an illustration. It is well known in Russia that Poland has decided radically to modify its petroleum-refining industry. It is very much hoped that it will bear in

mind the enormous potential available in Russia and other countries. Concrete interests could emerge in other sectors too—electronics, chemicals.

Zbigniew Czezadlo, who works for the well-known Polish brewery "Zywiec" and brought the product to the "Mining Lands Fair," noted that at the moment business with the Eastern neighbors is proceeding with difficulty. If you manage to sell anything, it is exclusively on a barter basis. Last time, beer was exchanged for Russian salt. He was very surprised to learn that Russian enterprises have the right to pay for goods in hard currency and to transfer that currency to the foreign producers' accounts.

This may be an isolated case. But it shows how little businessmen operating on different sides of the border still know about their neighbors' economic potential, not to mention their laws. Polish entrepreneurs now want to bring together all the structures scattered across the country which are concerned with the East, and to create a Polish business center in Moscow. Its staffers, working on commercial terms, would take the place of uninterested state officials. There are a great many other ideas, such as the plan to develop the Eastern Institute, which is already preparing a program for a grants foundation to help students and scientists from the former USSR.

Foreign Ministry Spokesman Holds News Briefing

Questions Lithuania's 'Haste' Over NATO

LD0601164594 Moscow INTERFAX in English 1427 GMT 6 Jan 94

[Text] A Russian Foreign Ministry official believes that "the haste" with which Lithuania's President Algirdas Brazauskas has formally applied for NATO membership "looks odd and counterproductive."

Briefing newsmen in Moscow on Thursday, Foreign Ministry spokesman Grigoriy Karasin suggested that this step reflected the sentiments of "certain political forces which regard alignment with military and political unions as the key to national security."

He called "for giving more thought to what is of prime importance for guaranteed stability in Europe."

Moscow, in his words, favors "a genuinely European security system for all states, collective actions to meet any challenge today, and efforts to boost the CSCE potential."

"Equal security for each and everyone and cooperation rather than new dividing lines between states - that's what Europe requires today," Karasin declared.

In his words, such an approach prevails in CSCE, in the North Atlantic Cooperation Council, and in NATO itself. No wonder, the concept "Partnership for Peace" has been devised to strengthen security across Europe rather than within blocs. The concept has drawn much response.

Lithuanian Statements on Kaliningrad 'Unfriendly'

LD0601165094 Moscow ITAR-TASS World Service in Russian 1535 GMT 6 Jan 94

[By ITAR-TASS diplomatic correspondents Boris Krivoshey and Aleksandr Krylovich]

[Text] Moscow, 6 Jan (ITAR-TASS)—Lithuania's unfriendly statements about Kaliningrad Oblast cause bewilderment and could complicate Lithuanian-Russian relations. This was said at a briefing today by Grigoriy Karasin, director of the department of information and the press of the Russian Foreign Ministry, in connection with the latest statements by some Lithuanian politicians who have called for the "demilitarization" and "deoccupation" of Kaliningrad Oblast, for a review of its international status, and for it to be removed from Russia by forming on its territory "a new Baltic republic integrated into the structures of Northern Europe."

In connection with this the Russian diplomat recalled that the decision of the Potsdam Conference on transferring Kaliningrad Oblast to the Soviet Union was final and without any time limit. The territorial possession of the oblast by the Soviet Union and consequently by Russia was subsequently laid down in the treaty on the final settlement in relation to Germany of 12 September 1990 and the treaty on good-neighborliness, partnership, and cooperation between the USSR and the FRG of 9 November 1990. "Thus, juridically and by right of morality and history Kaliningrad Oblast is an inalienable, integral part of Russia, and Russia will not permit a review of the international legal acts establishing and confirming its present status," he stressed.

Notes Upcoming Talks With Latvia

LD0601222794 Moscow ITAR-TASS in English 1712 GMT 6 Jan 94

[By ITAR-TASS diplomatic correspondents Boris Krivoshey and Aleksandr Krylovich]

[Text] Moscow January 6 TASS—A Russian high-ranking official will arrive in Latvia next week to discuss a draft agreement on the status of the disputed radar station in Skrunda, Grigoriy Karasin, Russian Foreign Ministry spokesman, told a briefing in Moscow on Thursday.

Sergey Zotov, who heads the Russian delegation to the talks with Latvia, will arrive in Riga on January 10 to discuss a draft agreement on the radar station after the Russian troops have left Latvian territory.

Karasin said that the absence of such an agreement hampers the signing of the prepared main document which sets the deadline of the troop withdrawal and two other agreements on social welfare of the Army personnel and the retired military and members of their families.

Concerned by Nagorno-Karabakh Fighting

LD0601164194 Moscow INTERFAX in English 1427 GMT 6 Jan 94

[Text] Spokesman for the Russian Foreign Ministry Grigoriy Karasin has described the latest developments in the zone of the Azeri-Armenian conflict as more bloodshed and another attempt to settle the conflict by force. This is taking place in conditions when the world community, including Russia, proposed real possibilities for the bloodless solution of disputed problems by peaceful means, the spokesman told a briefing in Moscow January 6.

Karasin said that over the past two weeks the Azeri armed forces were fighting to liberate some of the republic's regions earlier captured by units of the Karabakh Armenians. There are widespread hostilities around Nagorno-Karabakh with heavy casualties.

The spokesman drew the attention of journalists to the two sides' mutual accusations of responsibility for the resumption of fighting, shelling and new offensives. This is not infrequently close to manipulating the public opinion and non-critically reproduced by the media causing misinformation, said the diplomat. He believes the propagandist war only aggravates the profound mutual mistrust between the conflicting sides.

The spokesman has voiced regret that Baku rejected the proposals of its Russian mediator put forward on December 16 and 20 on a temporary cease-fire which would create more favorable conditions for signing an agreements on ending hostilities.

Urges 'Restraint' in Afghanistan

LD0601161094 Moscow ITAR-TASS World Service in Russian 1520 GMT 6 Jan 94

[By ITAR-TASS correspondent]

[Text] Moscow, 6 Jan—Continuing to occupy a position of noninterference in the conflict inside Afghanistan, Russia calls on all sides involved to display restraint, to reject actions using force, and to seek political compromises for the sake of national consolidation. This was stated by Grigoriy Karasin, director of the information and press department of the Russian Foreign Ministry, at a briefing today.

He noted that Russia views with deep concern recent events in Afghanistan, the flaring up of armed clashes in Kabul and in the north of the country which have already caused numerous casualties, including among the civilian population. It is evident that such a development can only further intensify the polarization of the forces in Afghan society, make the prospects for restoring peace in Afghanistan even more remote, and seriously complicate the situation on the southern frontier of the CIS and in the region as whole, the Russian Federation Foreign Ministry spokesman stressed.

Together with other states and the United Nations, Russia is prepared to assist the process of achieving an Afghan settlement. Grigoriy Karasin said getting such a settlement going and furthering it would correspond to the common interests of the whole of the international community.

Views Proposals for CIS Development

LD0601180194 Moscow Mayak Radio Network in Russian 1430 GMT 6 Jan 94

[Text] At the Russian Federation Foreign Ministry press center today a briefing was held for Russian and foreign journalists. Speaking at it, Grigoriy Karasin, director of the Russian Foreign Ministry's Information and Press Department, said, among other things:

[Begin Karasin recording] About the plans of the Russian side as chairman of the Commonwealth of Independent States: In connection with the decision of the Ashgabat meeting of CIS heads of state, that the Russian Federation would, at the present stage, take the chair in the main bodies of the CIS, the Russian Federation Foreign Affairs Ministry is beginning to work out proposals for specific ways of the future development of the CIS. These proposals, that are based on results already achieved within the Commonwealth, cover the following main areas: Establishing the mechanisms for an economic alliance; ensuring human rights and the rights of minorities throughout the CIS, and creating mechanisms to guarantee these rights; restoring cultural, scientific, and educational ties between the Commonwealth countries; creating a unified humanitarian space; shaping an effective system of collective security, with the stress on peacekeeping functions; developing practical mechanisms of the CIS to prevent armed conflicts; ensuring greater effectiveness for joint action by members of the Commonwealth in the foreign-political sphere in the development of cooperation between the CIS, the United Nations, the CSCE, and other international organizations.

The corresponding ministries and departments will take part in drawing up these proposals. The Foreign Ministry also intends to draw in the representatives of scientific circles and public organizations. These proposals will be submitted to the Russian leadership, and then Russia, as the current chairman of the CIS, will table them for examination by the other Commonwealth member states. [end recording]

Clinton, Aides Cited on Inadvisability of NATO Expansion

PM0601132594 Moscow KRASNAYA ZVEZDA in Russian 6 Jan 94 p 3

[ITAR-TASS correspondent Pavel Vanichkin report: "'We Cannot Move the Berlin Wall to the East'"]

[Text] Washington, 5 Jan—The preparation for the imminent 10-11 January conference of NATO heads of state and government and the prospects of expanding U.S.-West European trade and economic cooperation were the focus of attention during a conversation in the White House between U.S. President Bill Clinton and Netherlands Prime Minister Ruud Lubbers, who is here on an official visit.

Speaking to journalists before the meeting began, B. Clinton said that discussion of his proposed "Partnership for Peace" concept, which provides for the phased integration of East European countries in NATO, must be one of the main themes on the agenda at the upcoming Brussels conference of NATO countries' leaders. However, according to the U.S. President, it would be premature to start talking abut the possibility of giving Poland, Hungary, and the Czech Republic full membership status in NATO right now.

"I am not opposed to expanding NATO," the head of the White House stressed. However, from what he said "there is no accord" at the moment among the organization members as to the expediency of accepting East European countries. "Therefore, following many decades of work to abolish the 'boundary' dividing Europe, we do not want to create the impression that we are aspiring to a new division of the continent," Clinton said. "We favor a secure and stable Europe. At the same time, I believe that sooner or later the 'Partnership for Peace' concept will lead to an expansion of NATO."

When asked whether in his view the implementation of this concept would lead to the integration of all European states, including Russia, in the North Atlantic Alliance, the U.S. President said: "I hope that ultimately all European countries will clearly and unequivocally put themselves in the hands of a peaceful, stable, and secure Europe, whose states will respect each other's borders."

"We cannot simply move the Berlin Wall several hundred miles to the East," General John Shalikashvili, chairman

of the U.S. Joint Chiefs of Staff, stated at a White House news conference Tuesday. He warned against "creating a division" in Europe again, whether "deliberately or unintentionally," and expressed his opposition to expanding NATO at present by including former Warsaw Pact states.

Speaking to journalists on the same day, U.S. presidential national security adviser Anthony Lake stressed that the United States is committed to the "evolutionary" process and is avoiding drawing "new demarcating lines" right now between East and West in Europe. The hasty acceptance of East European countries into NATO could lead to the destabilization of the region and "would be an involuntary confirmation of pessimistic predictions in respect of Russia," was the way he explained Washington's official viewpoint. This, in his opinion, would not be in line with "either NATO's interests or the interests of the states of Central and East Europe." Lake deemed it necessary to stress that this position enjoys the support of President Bill Clinton.

'Creeping' Entry Process 'Humiliating'

PM0701125194 Moscow PRAVDA in Russian 6 Jan 94 pp 1,3

[Article by Vladislav Drobkov: "Washington Shows Leadership"]

[Text] Washington, 5 Jan—In a few days' time Bill Clinton sets off on his first "presidential" tour of Europe. On Saturday 8 January he flies from Washington to Brussels. There the head of the U.S. Administration will attend the NATO Council winter session and meet with the leaders of the European Union. On 11 January the U.S. President is to meet with the leaders of Poland, the Czech Republic, and Slovakia in Prague. From 12 through 15 January Bill Clinton makes his first official visit to Russia, and then to Belarus. Then he goes to Geneva, to meet with Syrian President Hafiz al-Asad.

Such a busy program for the U.S. President's European tour would appear to be intended to demonstrate an active U.S. foreign policy and Washington's leadership following the end of the Cold War. At the same time Clinton intends to "pay his respects" to Europe, whose problems, obviously, were pushed into the background by domestic political concerns during the first year of his presidency.

Brussels is intended to be the main area of U.S. foreign policy efforts during the visit. There Clinton will try not only to "revive NATO" but also to persuade his bloc allies to accept the U.S. vision of the future development of the situation in Europe and, indeed, in the world as a whole.

An important part of this vision is the "Partnership for Peace" doctrine, proclaimed a few weeks ago. The purpose of this doctrine is to steer the desire of a number of East European states to become full members of NATO as soon as possible in the direction the U.S. wants. While voicing support for these aspirations, the United States and most of its bloc partners are in fact not particularly enthusiastic about them.

The point is that, having lost their main potential enemy in the shape of the USSR, Washington and NATO are concerned about preserving the former "combat character and spirit" of this organization—which the "dilution of NATO" by former members of the Warsaw Pact would not help at all. Moreover, there are fears in NATO that new members would bring to the bloc the chronic disputes and problems of Europe, which have come to the surface in the most obvious fashion in the course of the Yugoslav crisis and the endless war in Bosnia.

Finally, Washington and the other NATO capitals obviously do not want to "tease the Russian bear" needlessly. Indeed, the bloc's acceptance of Moscow's former allies might in fact be interpreted as a step intended to establish a new "cordon sanitaire" around it. The "partnership for peace" is devised in such a way that "no new lines are pursued in Europe," U.S. Assistant Secretary of State Stephen Oxman said.

It was no accident that, at a recent Washington news conference, senior administration spokesmen tried to demonstrate when pressed by East European journalists that it is not in their countries' interests to be trying too overtly to isolate Russia and that the "success of the Russian reforms" is an absolutely essential condition of the success of the process of reforms in their own countries.

But the calls for the bloc's doors to be flung open as soon as possible to new members—former enemies—are not diminishing. They have grown particularly loud, THE CHRISTIAN SCIENCE MONITOR notes, since the recent elections in Russia, which most local observers see as a defeat for the "Yeltsin reformers" and a victory for "nationalist, procommunist forces." And the Russian president's proposal on jointly guaranteeing with NATO the security of the East European countries appears to have aroused more suspicion than support.

The other day Polish President Lech Walesa even said that the West runs the risk of bringing about the revival of the Soviet bloc and the return of communist regimes in East Europe unless it takes bold steps to incorporate a number of former Warsaw Pact allies into NATO. It would be a "tragedy," the Polish president said, if the 10 January meeting of state and government heads in Brussels did not adopt a precise schedule for the admission of East European countries to the bloc.

In this situation the need for NATO to devise a common response to the East European governments' aspirations is particularly urgent. And to all appearances, the U.S. President is prepared to pull out all the stops to persuade his bloc allies to accept the U.S. way of solving this problem—Washington's "Partnership for Peace" doctrine. But the problem is that this doctrine has not yet been fully formulated in an integrated and clear form.

Its general provisions could be described in a nutshell as follows: It offers the East European countries and the new independent states, as the former Soviet republics,

including Russia, are sometimes called here, not simultaneous and proud entry but a stage-by-stage and somewhat humiliating process of "creeping" into NATO. First the door will be opened just enough to let in those that are "furthest advanced along the path of reforms." Then, others can be admitted to the select band of NATO members as they reach "democratic adulthood." No exceptions or allowances will be made for anyone—they will all have to go through a long and and as yet vague process of adaptation.

At the first stage the NATO countries will have to obligingly agree to participate in joint maneuvers as "aspiring" members. This could be followed by closer cooperation in the security sphere. And only then, some observers believe, would it be possible to start talks on the particular form of NATO membership. At any stage those wishing to be admitted to the closed Atlantic club could face "elimination" if its original participants arrive at the conclusion that one of the new faces is not sufficiently "dedicated to democracy" or is delaying market reforms.

According to THE WASHINGTON POST, the U.S. State Department has already started an "intense diplomatic campaign to persuade skeptical East European governments to accept the evolutionary plans for NATO expansion, rather than seek immediate membership..." The main targets of the State Department's "attack" are Poland, Hungary, and the Czech Republic, which are knocking at the bloc's door.

If these countries will not be persuaded by the United States and resolutely reject the "partnership" they are being offered, it could undermine the U.S. enterprise at the 10 January NATO summit, even if the bloc allies themselves approve it. Anxious local observers and even some "senior administration representatives," who traditionally wish to remain anonymous, are currently warning of this.

On the eve of Clinton's visit Madeleine Albright, U.S. representative to the United Nations, and John Shalikashvili, chairman of the Joint Chiefs of Staff, are going to see the East Europeans in order to prepare them properly to take on board the U.S. plan. According to Anthony Lake, adviser to the president for national security affairs, the purpose of their trip will be to dispel fears that the Washington "partnership" is intended to delay the entry of new members into NATO, just to please the Russian opposition. In fact, Lake tried to show, it will lead in a evolutionary way to the "expansion of NATO," but not at the expense of a revival of an East-West split in Europe...

So Bill Clnton's European tour, which begins very soon, does not promise to be easy. In a changing world U.S. claims to leadership need to be constantly confirmed by specific actions or new ideas capable of captivating allies and partners. The new administration does not have too many of these in its foreign policy baggage at the moment.

French Foreign Minister Previews NATO Summit

PM0601125994 Moscow IZVESTIYA in Russian 6 Jan 94 First Edition p 4

[Yuriy Kovalenko report on interview with French Foreign Minister Alain Juppe in Paris; date not given: "Democratic Russia Does Not Need a Cordon Sanitaire, According to French Foreign Minister Alain Juppe"]

[Text] Paris—The outcome of the NATO summit meeting which is to be held in Brussels 10-11 January with the participation of American President Bill Clinton is predetermined, to judge by the statements by the political leaders of France and other countries. There will be no surprises.

The admission of Poland, Hungary, and the Czech and Slovak Republics to NATO would not only not strengthen European security but could, on the contrary, exacerbate the internal political situation in Russia and complicate relations between the Western capitals and Moscow. That is Paris' position, which is supported on the whole by its allies.

"The entry of East European countries to the North Atlantic Alliance would be premature today. It would fundamentally alter the very nature of the North Atlantic Alliance, which agreement envisages security guarantees in the event of a bloc member's coming under attack," French Foreign Minister Alain Juppe stated in conversation with your correspondent.

"However, I do have a positive attitude to the strengthening of relations between NATO and the states of East Europe and between NATO and Russia," the minister went on to stress in response to a question from IZVESTIYA; "therefore we have supported in principle the American Partnership for Peace initiative. Moreover, France and Germany intend to go further and to propose that East European countries become associate members of the Western European Union."

Partnership for Peace, the minister went on to explain, will not become a cordon sanitaire between Europe and Russia. On the contrary, this initiative is addressed to Moscow, whose participation will be only welcome. Premature membership of NATO for Poland, Hungary, and other countries would, on the contrary, play the role of a kind of cordon sanitaire. Given such conditions, Paris favors a more flexible form of cooperation with them.

Europe has not been a peaceful and stable continent in recent years, the minister also said. Alongside the instability in Russia—our great partner—crises continue in other parts of Europe. Therefore it is essential that we engage first and foremost in preventive activity. To that end France is calling a conference on stability in Europe, which will take place in Paris in April and to which Russia and the United States have been invited.

Czech Officials Cited on NATO Membership

PM0601135594 Moscow ROSSIYSKIYE VESTI in Russian 6 Jan 94 p 7

[Article by RIA NOVOSTI correspondent Valeriy Yenin, especially for ROSSIYSKIYE VESTI, under the general heading "NATO: From Confrontation to Partnership. This Is the Only Way of Reaching Agreement in East and West Europe": "While Politicians Argue, Czech Army Switches to NATO Regulations"]

[Text] Prague—"In the past Czechoslovakia played a key role in winding up the Warsaw Pact—that instrument of Soviet hegemony," Czech President Vaclav Havel said recently. "Our efforts were not only designed to eliminate the last obstacle to participation in the system of collective defense of European democracy, but were also aimed at eliminating the last obstacle to the North Atlantic alliance's being turned into a European instead of a West European structure."

Some politicians here were surprised that the president devoted the second speech to deputies during his presidency not to the republic's domestic political problems, but to joining NATO. This speech was most likely directed not at Czech parliamentarians but at Western politicians and Moscow.

What arguments did the first president of the Czech Republic adduce in favor of NATO membership?

First, the Czech Republic is at the very heart of Europe and is the traditional meeting point of geopolitical interests; many wars have begun or ended here. Incidentally, this was in the past one of the arguments for Czechoslovakia joining the Warsaw Pact. "Historical experience shows that we cannot worry only about ourselves, but for our own benefit we must show interest in the all-European process, which, whether we like it or not, concerns us more than other countries," Vaclav Havel believes. "Our endeavor to accede to the alliance is not merely a desire to receive international guarantees of our own security, but is also based on our wish to assume some responsibility for the situation on our continent...."

Second, the Czech Republic shares all the main values of Euroamerican civilization, including a civil society, parliamentary democracy, political pluralism, a rule-of-law state, and respect for the individual. Since NATO's task is to defend these values, the Czech Republic cannot remain aloof.

Third, based on historical experience, tragic experience included—primarily Munich 1938—the Czech Republic feels the need to be included in a system of active collective security.

In Vaclav Havel's opinion, Central Europe is currently in the foreground of the struggle for democracy and stability on the whole continent. "I therefore believe," he said, "that the Central European states should logically be prime candidates for NATO membership."

The Czech president devoted a considerable portion of his speech to Russia:

"To all appearances, NATO's relations with Russia and the other republics of the former Soviet Union will be far more complex. I think that there are just two options: Democratic forces win victory in Russia, forces aware that NATO is not Russia's enemy but an extremely promising partner and that NATO's drawing near Russia's border does not mean the approach of an enemy but a zone of democracy and prosperity, and that this process accords with Russia's vital interests. But there is also another option. Forces that are unable to give up the imperial ambitions of the former Soviet Union, chauvinist, great Russian forces...may gain the upper hand in Russia—temporarily of course. They would undoubtedly protest NATO's being expanded by the admission of the former Soviet satellites and the alliance's drawing closer to Russia's borders.... I think that the West would be making a fatal error were it to succumb to their pressure. That would herald a return to Yalta and the 'cold war' period...."

It is hard to say whether Vaclav Havel convinced Western politicians, but Czech parliamentarians viewed with approval the—albeit not that immediate—prospect of acceding to the North Atlantic alliance. It was only J. Ortman, chairman of the Leftist Bloc deputies' club, who opposed the Czech Republic's joining any military alliance and proposed that the question of NATO membership not be resolved in parliament but by means of a national referendum. Premier Vaclav Klaus was somewhat more restrained than the others. In response to questions from TELEGRAF newspaper readers he said:

"I think that the question of joining NATO is not on the agenda now. We are still not ready for this and no one is offering us membership at the moment. So, it is simply pointless and unfeasible at the moment to raise the question of a referendum. But I am convinced that NATO has played, is playing, and will play its role in Europe, that is, the region where the Czech Republic is situated. From this viewpoint it would of course be good for us to be members of NATO."

Defense Minister Antonin Baudys believes that "the earlier we join NATO the better." Speaking about the October events in Russia in an interview with LIDOWE NOVINY he noted: "Personally they made me want to speed up the steps in NATO's direction. This was an example of the possible danger. Today NATO is the only functioning, well-organized military pact in the world. Our only chance is to get full membership thereof...."

But FRG Defense Minister Volker Ruehe, during an official visit to Prague, recalled that the question of expanding NATO eastward cannot be decided without considering Russia's interests. "Russia is an extremely important factor for stability in Europe," he said during a meeting with journalists. "Stability can only be achieved 'with' Russia but not under any circumstances by uniting 'against' Russia."

Nonetheless the problem of the Czech Republic's joining NATO is still featuring in the Czech press. "The question of our secure future is today closely linked with whether Russia joins the West or not," PRACE wrote. "But if that does not accord with Russia's wishes, we cannot abandon our intention of becoming full-fledged members of the North Atlantic alliance."

A summit of all 16 NATO countries will be held in Brussels in a few days and important decisions on the bloc's future are expected. "If the January political decisions on the North Atlantic alliance's future strategy are extremely positive for us, that does not by any means signify that the Czech Republic will become a full-fledged member of this organization overnight," Vaclav Havel believes. "At best this will be just the start of a lengthy, fairly complex process...."

But, before the verdict is in, there is every indication that the Czech Army has already joined in this process. According to Major General Pavel Jandacek, deputy chief of the General Staff of the Czech Army, steps are being taken "to close the gap between us and NATO armies and structures where possible in the near future." In particular linguistic and professional training is already under way, bearing in mind the Czech Army's future in NATO. Over 160 officers and men have been sent to military schools and courses in NATO, the United States, Canada, France, Britain, the FRG, and Holland.

While the politicians are arguing, the military is acting.

Commentary Rejects Bloc Thinking as 'Unrealistic'

LD0601211794 Moscow Radio Moscow World Service in English 1810 GMT 6 Jan 94

[Commentary by Vladislav Kozyakov]

[Text] The summit of the presidents of Russia and the United States in Moscow on the 12-15 January will follow on the heels of the conference of leaders of NATO in Brussels, where the American concept of Partnership for Peace will be discussed. Vladislav Kozyakov examines these two events and he writes:

It can safely be predicted that the talks between the presidents of Russia and the United States, Boris Yeltsin and Bill Clinton, will be influenced to a very large extent by what happens in the two preceding days in the Belgian capital.

Russia is worried about information that Western leaders are looking into requests by a number of East European countries for membership in the North Atlantic Treaty Organization. On Wednesday, an official reaction to this issue was made known by the publication of a statement by a presidential press secretary. The Russian president warned that an expansion of NATO might lead to a military-political destabilization in key regions of the world.

True, Washington says it does not intend at present to support the admission of new members into the alliance. At this stage, in place of full membership, America is offering the concept of Partnership for Peace to the newly independent states of Eastern Europe.

However, this American concept needs further clarification. It has not been fine-tuned, so to speak, and details have not been agreed between NATO's members.

The temporary character of the Partnership for Peace also deserves some attention. After a period, according to this American concept, all countries wishing to join NATO will be admitted.

It's paradoxical that in the changing cirsumstances of the present world, it's precisely NATO that is involved in generating a feeling of apprehension in Europe. In its time the establishment of this military bloc drew a corresponding response and led to the establishment of the Warsaw Pact. Then followed decades of confrontation. Now at the end of the Cold War, when NATO has no Warsaw Pact to contend with, it's causing anxiety with its prospects of an expansion of its membership and drawing closer to the Russian borders.

The question arises, Why should the stereotypes of bloc mentality be kept alive in Europe. If Partnership for Peace intends to establish a system of security in Europe, Russia including, then why must this system be based on a military organization of Western Europe.

This question becomes more relevant as a new actual system is already in existence. It's the Council for North Atlantic Cooperation, in whose ranks are NATO members as well as countries in the former Warsaw Pact.

Why should not the Partnership for Peace see as its final objective not admission of new members into NATO but the creation of an all-embracing collective security in Europe and in the space from Vancouver to Vladivostok, developing for this project the North Atlantic Cooperation Council? This would be quite in the spirit of the Council for Security and Cooperation in Europe.

In Moscow there is support for the American concept of Partnership for Peace. However, this idea must not be a prisoner of the bloc mentality. It must take into account the security interests of all governments without exception. Partnership for Peace should orientate itself to the creation of a new mechanism for the provision of security for Europe and the world.

The new time and the new situation in Europe demands a fresh untried approach to the problem of cementing peace and the development of cooperation. To act from a bloc position in this new era would be at least unrealistic.

Deputy Foreign Minister Says U.S Talks 'Very Successful'

LD0601173594 Moscow ITAR-TASS World Service in Russian 1548 GMT 6 Jan 94

[By ITAR-TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow, 6 Jan—The Russo-U.S. consultations held in the U.S. capital were very successful; an agreement was reached on all of the main points of the program for U.S. President Bill Clinton's state visit and of the agenda for the summit meeting in Moscow, Georgiy Mamedov, the Russian Federation deputy foreign minister, believes. He has just returned here from Washington, where he discussed the program for the visit with Strobe Talbott, coordinator of U.S. policy toward Russia and the CIS countries.

In Georgiy Mamedov's view, the Moscow forum will devote its main attention to problems of economic interaction between the countries, and examination of a set of questions linked with the implementation of the policy of reform in Russian society. On the international level, the sides will consider the strengthening of security and the settlement of regional conflicts, particularly in Bosnia and Nagorno-Karabakh, and also problems of nuclear nonproliferation and cooperation in arms control.

Commentary Previews Clinton-Yeltsin Summit

LD0601134194 Moscow Radio Moscow World Service in English 1210 GMT 6 Jan 94

[Commentary by Yuriy Soltan]

[Text] On the invitation of the Russian President Boris Yeltsin, the head of the Washington administration, Bill Clinton, will arrive in Moscow on 12 January on a state visit. Yuriy Solton examines the significance of this visit:

[Solton] It is symbolic that the new external political year for Russia is beginning with a meeting between Boris Yeltsin and Bill Clinton. This has once more refuted the speculations that have appeared in some media as though the Russian Government, embroiled in internal and other problems, considers its relationship with the United States less significant.

In Moscow, the Vancouver Declaration, under which the two presidents attempt to conduct their business with the aim of strengthening bilateral cooperation and friendship, is seen as an important principle. By all accounts, Washington also feels the same about the Vancouver Declaration. As to what meaning the United States of America attaches to the Russian factor can be gleaned from the appointment of Strobe Talbott [as] coordinator of American policies on Russia and other Commonwealth countries.

President Bill Clinton himself believes that the main task of his visit to Moscow is to demonstrate America's support for the democratic and market reforms, which are the preoccupations of Yeltsin and his team. He is not carrying with him any new aid package to Russia. The sum of $4.5 million has already been announced, and during the visit of the American Vice President Albert Gore to Moscow in December some concrete agreements were reached.

Of course, during the Moscow talks prospects for further development in trade and economic cooperation between the two countries—which for Russia, that has entered a period of radical changes, is important—will be discussed. The negotiations in Moscow promise to be all-embracing and concrete, including the issue of security, cooperation in the control of weapons, the nonproliferation of nuclear weapons, and joint action in resolving regional conflicts.

It is possible that different approaches to the solution of all or any problem may arise, but there can be no doubt that the meeting between Boris Yeltsin and Bill Clinton, designed to define the program of cooperation and joint actions by these two great countries at the end of the century and the beginning of the next, will become an important event in world history.

U.S. Economists Criticize Clinton Over Policy on Russia

PM0601114994 Moscow IZVESTIYA in Russian 6 Jan 94 First Edition p 4

[Vladimir Nadein report: "U.S. Economists Criticize President Clinton for Indulging Yeltsin"]

[Text] Washington—We know that the Americans do not use fives and twos but instead grade students with letters of the alphabet. The essence is the same, however. The economics professors who gathered in Boston from the country's leading universities gave President Bill Clinton a solid "B."

For his first year of administration, especially in the sphere of the economy, the young President gets a "four plus" as though there were no minus point. But the positive notes would have been even stronger if it had not been for what one professor called "the green light for President Yeltsin's vacillations."

The economics professors call the U.S. Administration's new approach to the rate of economic transformations in Russia following the parliamentary elections "indulging Yeltsin." Both advocates of more confident state intervention in economic regulation (the Massachusetts school) and Harvard adherents of profound market freedom believe that any delay in switching from the state plan to the market will lead only to additional difficulties for people, and will still further compromise the ideas of democracy.

Believing that during his recent visit to Moscow, Vice President Al Gore sent the Russian leadership the wrong signal, Professor Dornbusch called his visit a "complete and utter disaster."

But speaking at the same meeting of professors, Lawrence Summers, under secretary of the Treasury, denied that the administration approves of a "gradual approach" in Russia. He simply said that President Yeltsin is having to deal with social and economic difficulties whereby privatization and measures to switch to the market may be sabotaged by the political opposition.

However, international notes were muffled at this meeting. The domestic economy dominated.

"The administration's actions have not only proved surprisingly fruitful, they have also been very sensible," R.

Dornbusch, the famous academic from the Massachusetts Institute of Technology, told the worthy members of the U.S. Economic Association.

This high assessment by a representative of this institute is not very surprising. From his first days, Clinton began to look to people and ideas from this famous educational establishment. The studies of scientists from Massachusetts have been reflected in many of the White House's economic measures—from the national program for the retraining of workers to the plan for the radical reform of health care.

Naturally, with the advent of this administration, the trend which held absolute sway in the Reagan-Bush years has been squeezed out. This trend is exemplified by the venerable Harvard University, many of whose researchers, incidentally, came to advise the Russian Government during President George Bush's term and are still here.

Probably no one objected to the assessment of the administration given by Lawrence Klein, the most senior professor of economics at Pennsylvania University and a Nobel prize winner. He did not intervene in the debate with figures and formulas but commented on Clinton's first period as follows: "An excellent spring semester."

But there were arguments about figures. They mainly concerned the permissible unemployment level. And the reduction of the defense structure is proceeding by no means painlessly in the United States.

According to Professor Alan Blinder, the country's economy will feel quite comfortable with unemployment at less than 5.5 percent. However, this level remains only a goal, since in November unemployment in the country was at 6.4 percent, and critics maintain that the trigger mechanism of inflation starts to operate beyond the limit of 6.1 percent unemployment.

Zhirinovskiy Commeats on German Ties, Clinton Meeting

LD0701100294 Berlin DDP/ADN in German 0325 GMT 7 Jan 94

[Text] Berlin, DDP/ADN—Russian right-wing radical Vladimir Zhirinovskiy has described former Soviet President Mikhail Gorbachev as "mad." In an interview with the Berlin daily B.Z. (Friday edition), the chairman of the Liberal Democratic Party of Russia (LDPR) said of Gorbachev's accusation that he (Zhirinovskiy) was a KGB puppet that Gorbachev had "gone mad. It's just envy because he has destroyed his own party and the Soviet Union."

With regard to the refusal to grant him a visa to enter Germany, Zhirinovksiy said he did not get a visa "because Gorby sold you the GDR."

Once again Zhirinovskiy demanded reparations from Germany for the damage inflicted in Russia during the World War II, referred to Soviet war victims, and heavily criticized German reparations to Jews. He demanded "an agreement" on Russian property in Germany and said that Gorbachev sold East Germany "so cheaply, for 14 billion marks," when Chancellor Kohl had offered 140 billion. Zhirinovskiy said: "We accept this offer."

He seeks "good relations" between Russia and Germany, he went on to say. Twice "our countries have been driven into war." This was "wrong," Zhirinovskiy said. "Only we Russians and Germans can guarantee stability."

With regard to the future of eastern Prussia, Zhirinovskiy told Germany: "Solve that with Poland. We don't give a damn about it."

Concerning his readiness to meet with Foreign Minister Klaus Kinkel, Zhirinovksiy referred to wishes for talks expressed by Austria, Spain, France, Norway, and Australia and added: "When I have some time again then we'll meet."

Zhirinovskiy also said he is ready for a meeting with U.S. President Bill Clinton, but added that in his view Clinton fears him and is afraid. Clinton is "exactly the kind of democrat you find in our government". Zhirinovskiy went on: "Tell him from me: In Russia there is only one party, my LDPR, there are no other parties." Boris Yeltsin does not represent the interests of Russia, so Clinton had "better meet with us".

Threatens To Close Sea of Okhotsk

LD0601183794 Moscow INTERFAX in English 1726 GMT 6 Jan 94

[Text] Vladimir Zhirinovskiy, leader of Russia's Liberal Democratic Party, said he would seek to become head of an international affairs committee in the new parliament, fight for the dismissal of Andrey Kozyrev as foreign minister, and replace him in that capacity.

Talking to journalists in Shchelkovo, a town near Moscow, on Thursday [6 January] Zhirinovskiy said, addressing Japanese reporters: "You'd better not raise the Kuril Islands issue, otherwise we'll bring up the issue of compensation for the 40 years of the illegal use of Sakhalin by Japan."

"We'll drive everyone out of the Sea of Okhotsk—the Japanese, the Koreans, the Filipinos... The Sea of Okhotsk will be a closed Russian sea. We'll establish a 200-mile zone, and you'll be fishing in Australia," Zhirinovskiy said to the Japanese journalists.

Threatens Blockade of Japan

LD0601190994 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 6 Jan 94

[From the "Novosti" newscast]

[Text] Everything continues to be simple in the plans of Vladimir Zhirinovskiy. At a news conference today he stated that no one can or should interfere in the affairs of the Transcaucasus or Central Asia to prevent a new Lebanon. The leader of the Liberal Democratic Party of Russia said that he planned to occupy the position of Foreign Minister Andrey Kozyrev, and as his first step in

the ministerial post intended to invite Tokyo to sign a peace treaty. If it refuses Zhirinovskiy promises to use the Russian Navy to blockade all the Japanese islands.

Deputy Foreign Minister Sees Lack of Trust With Japan

LD0601163894 Moscow INTERFAX in English 1427 GMT 6 Jan 94

[Text] Russian-Japanese relations are so far lacking in "genuine" trust, Interfax was told Thursday by the new Deputy Russian Foreign Minister Aleksandr Panov, who will be in charge of relations with Japan and the countries of Asia and the Pacific instead of Georgiy Kunadze, who is now Russian Ambassador in Seoul.

Panov, who was until recently the Russian Ambassador in South Korea and for whom the present post was somewhat a surprise, sees his main task in promoting confidence in the relationships between Russia and Japan.

Panov has said that relations with Japan are a key priority of the Russian foreign policy determined by Russian President Yeltsin.

During his last year's visit to Tokyo the two sides fixed the top priorities of Russian foreign policies towards Tokyo. I do not see what is to be changed so much to deviate radically from our course, said the diplomat.

Speaking about the territorial problem in the Russian-Japanese relations, Panov has said that everyone in Russia seems to know about its existence. The problem does exist but joint forces are needed to search and find the way out, he said.

Analogies With Weimar Germany Considered

PM0601154594 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 94 First Edition p 1

["Commentary" by political observer Lev Korneshov: "History Dangerous To Repeat"]

[Text] Over the holiday period we were shown "Cabaret," a wonderful movie by U.S. director Bob Fosse, on television. Let me remind you that the events in it take place in Germany 1931 during the Nazis' ruthless rise to power.

The analogies are too obvious to ignore. But "Cabaret" came to the screen in 1972, many years after the end of World War II, and now we are being offered instant conclusions that may serve as a basis for action in certain circumstances.

The first of these conclusions, one which must be immediately dismissed, is that the situation in "that" Germany and "this" Russia is similar: impoverishment, prices, inflation, economic recession, etc. But this is only an "outward" resemblance. Regrettably, it is on this that many articles and people organizing the creation of anti-fascist committees, "fronts," and so forth are focusing their attention. The very idea that the Russian people may be infected by the bacilli of fascism, that voters who voted for V. Zhirinovskiy and his party are suffering from the fascist plague is a blasphemous idea insulting to the Russian people, who made countless sacrifices for the sake of victory over fascism.

There is also a second conclusion: The democratic stratum in our society has proved all too thin and barren. During the years of the triumphal routing of totalitarianism the small number of true democrats has been swelled by a vast number of fellow travelers and timeservers, and all together they have been unable to take advantage of the unique opportunity that they have been given by the people and history. And panic and hysteria are now springing up among certain people as a result—owing to the realization that Russia today does not need them. Especially since the new constitution does not envisage any "eternal" sentinels under democracy—it is itself the guarantor of democracy.

In this connection I would like to remind you that the coming parliamentary battles that some politicians are craving so much cannot be of crucial importance for Russian citizens' lives. If the Federal Assembly adopts sensible, necessary laws, they will be grateful. If not, well, vast sums of the people's money have been wasted and people may be called to account.... In any case the parliament has its own functions strictly defined by the Constitution and those who are trying to overstep them will be running a very great risk. That is the third conclusion, with which of course by no means everyone agrees.

Finally, a word about something that must be discussed, picking one's words as carefully as possible. There are just two or three men along with the president today (perhaps a few more) who are real Russia-wide figures in terms of character, erudition, and their understanding of the real problems and ways of resolving them. That is lamentable since a commander's strength lies in his marshals, and Russia is a burden that one man alone cannot bear.

I think that the elections were a litmus test measuring not verbal effusions of personal devotion but various politicians' true significance and clout and their popularity with the people. To be blunt, the voters did not see anyone worthy of universal trust among those for whom they were asked to vote. And had Vasiliy Ivanovich Chapayev suddenly appeared in this situation, 99.99 percent of the voters would quite probably have voted for him....

It is also bad that the president is running the risk of losing such a devoted ally as the mass media, in particular the newspapers, not only the big, but also the "small" publications, which are simply collapsing under the pressure of Decree No 1233. Democracy without freedom of speech is an empty shell, demagogy.

It seems that there are now plenty of people in countries near and far from Russia wanting to exploit the uncertain situation in our vast country.

Today the weather is foul in our country, but I would like to believe that the storm won't last long. At the end of "Cabaret" the main protagonist leaves Germany as it plunges into the insanity of nazism—for him it is a foreign

country, he can afford the luxury of evading fascist passions. But we Russian citizens must not remain on the sidelines when democracy won at the price of such hardship and pain is in jeopardy.

Armenian Premier Ends Visit; Agreements Signed

LD0601224294 Moscow Radio Rossii Network in Russian 1700 GMT 6 Jan 94

[Text] The visit to Moscow by an Armenian delegation led by Prime Minister Grant Bagratyan has ended. INTERFAX reports that the sides agreed to sign an agreement on trade and economic cooperation before 20 January. An accord was reached on cooperation in the demothballing and operation of the Armenian atomic power station and a number of financial agreements were signed.

Official Says Monetary Accords With Belarus 'Dangerous'

LD0601215694 Moscow INTERFAX in English 1906 GMT 6 Jan 94

[Text] Andrey Illarionov, leader of the governmental group on analysis and planning, declared Thursday that the signing of the agreement on unification of Belarus' and Russia's monetary systems and formation of a ruble space of these two republics "are dangerous and destructive."

He said the agreement provides for creation of "two emission centers or two central banks with a single currency, the ruble." However, as he underlined, it does not provide for efficient mechanisms to control emission.

Consequently, Illarionov summarized, "there appears an opportunity for Belarusian residents to transfer monetary funds, bypassing the Central Bank of Russia." "Belarusian residents receive an opportunity to compensate their expenditures at the expense of the Russian Federation," he added.

Illarionov reported that the agreement between Russia and Belarus also provides for the creation of a joint fund of gold and currency reserves and "it will be a hard burden for Russia as it is quite obvious that Belarus has no such reserves."

According to Illarionov, creation of such a single monetary system could become an additional stimulus for the inflationary process in Russia, totaling 10 percent. "At the same time such an agreement creates a precedent for other CIS republics to sign agreements with Russia on similar conditions," he noted.

Illarionov also reported that according to the governmental working center of economic reforms, in December inflation was 10.9 percent (according to the state statistics committee—12 percent) and will remain the same until April 1994. After that "there could be a substantial rise in the level of inflation," he believes.

The working center reports that the industrial production level remained stable over the last 5 months but the number of unemployed is growing. In December there were already 1.5 Mn [million] unemployed in Russia or 1.2 percent of Russia's employable population.

"Growth in unemployment is the reaction of the Russian economy to the toughening of the government's monetary policy," said Illarionov.

Draft Trade Agreement Approved With Tajikistan

LD0601233994 Moscow INTERFAX in English 1726 GMT 6 Jan 94

[Text] Tajik Prime Minister Abdulmadjid Samadov and Russian Vice Premier Aleksandr Shokhin ended talks in Moscow on Thursday by approving a draft agreement on this year's bilateral trade and economic cooperation between the two countries.

Speaking afterwards, Shokhin said the question of a new ruble zone was also high on the agenda. The two sides had agreed to speed up work by a joint commission on creating a common currency system.

The commission, due to meet later this month, is expected to discuss outstanding issues related to bilateral cooperation, Shokhin told reporters.

He says Russian experts will draw up measures designed to prevent the flight of Russian cash from Tajikistan. "For the time being, we are trying to gauge the prospects of creating a common ruble zone, but final conclusions will come later," Shokhin said.

Developments, Fighting in Afghanistan Examined

PM0601183194 Moscow PRAVDA in Russian 6 Jan 94 p 3

[Yuriy Glukhov "Observer's Opinion" article: "Afghan Patience"]

[Text] For several days in a row fierce fighting has been going on in Kabul. It has also spread to north Afghanistan, to the Mazar-e Sharif area, which until now had been considered safe. Since 1 January over 100 mojahedin gunmen were killed and over 800 were wounded in the Afghan capital as a result of rocket and artillery bombardments. Around 4,000 civilians—including women, children, and old people—have been hospitalized with injuries.

The new outbreak of violence amounts to a kind of showdown between Afghan President B. Rabbani and Prime Minister G. Hekmatyar. This time General Dostom appears side by side with the latter. The very same "Red general" and commander of Uzbek formations who went over from Najibollah's side to that of his opponents. It was he who, in that new alliance, forcibly blocked the entry of Hekmatyar's troops into Kabul. So Hekmatyar hitherto had a score to settle with Dostom.

But the alliance of yesterday's enemies and the bloodletting between friends (let us recall the fate of Taraki or Amin) is a usual phenomenon in Afghan political life. As

in a kaleidoscope, the pattern of alliance can form from surprising combinations. Nevertheless they have their own logic every time.

The current outburst of enmity and the new marriage of convenience is a reaction to the strengthening of Tajik influence in the country's life. Most of Afghanistan's population are Pushtuns. Political power has traditionally belonged to them. All the Afghan kings have come from Pushtun tribes. And of course it was taken for granted that the Pushtuns would run affairs in the capital.

But what happened? The post of head of state was taken by a Tajik. The ambitious Pushtun leader Hekmatyar, head of the Islamic Party of Afghanistan, could not even enter Kabul. Sessions of the coalition government he heads take place in Chahar Asiab, 25 km from the capital.

Rabbani is supported by another Tajik—Shah Mas'ud, the regime's "strong man." His clout, authority, and power have been accumulated during his years of dogged resistance to republic government troops in the Panjshir Valley. It was no accident that he became the first defense minister after Najibollah's overthrow.

Another powerful figure is Ismail Khan, a Tajik. He "rules" in Herat, which has become the center of a kind of "Emirate of West and South Afghanistan." It comprises six provinces, or around 40 percent of the country's territory. They border Iran. In his domain Ismail Khan has managed to disarm all other opponents and minor detachments.

Rabbani's recent trip to Dushanbe was possibly the spark for the new outbreak of fighting. It is known that Hekmatyar made repeated threats to extend the jihad, the struggle for the triumph of Islam, to the Central Asian republics of the former Union as well. In that case a normalization of the situation on the Afghan-Tajik border, or a strengthening of ties between Afghan and former Soviet Tajiks, do not suit him. This ultimately leads to the strengthening of Rabbani's positions.

Hekmatyar and Dostom are pursuing different aims in the alliance against Rabbani. The first's ambitious task is to restore the Pushtuns' power in the country's state structures and to strengthen personal influence. The second's is to preserve the maximum independence from Kabul. At present Dostom has control of Afghanistan's six northern provinces with their center in Mazar-e Sharif. This area is a symbol of business activity. Field commanders who grew rich from the war have started acquiring real estate. By ensuring regional stability Dustum was able to create a local front uniting various political forces, from neocommunists to fundamentalists. What suits the "Red general" most is a constantly weakened center.

Given the almost complete regional autonomy, instability in Afghanistan is becoming a chronic illness. The situation is exacerbated by the manifestation not only of national-ethnic but also of religious conflicts. Tajiks profess Islam of the Shiite persuasion. The Pushtuns are Sunnis. Besides domestic friction they have a different foreign policy orientation. The center of Shiism is Iran. For Sunnis the highest authority is Saudi Arabia. Eternal internecine conflict and the inability to find a common language are leading to Afghanistan's self-destruction and to the self-destruction of Afghan national groupings. It is quite possible that in the near future it will not be they but Tehran, Islamabad, and Riyadh playing Afghan patience.

UN Contingent in Yugoslavia Reinforced

PM0601143994 Moscow KRASNAYA ZVEZDA in Russian 6 Jan 94 p 3

[Aleksandr Oliynik report: "Russian 'Blue Helmets' in Yugoslavia Increased. They Will Reinforce the First Russian UN Battalion of Peacemaking Forces"]

[Text] Colonel General Yevgeniy Podkolzin, commander of the Airborne Forces, has said in conversation with KRASNAYA ZVEZDA's correspondent that an additional Russian Army subunit is being sent onto Yugoslav territory along with hardware and armaments with the knowledge and consent of the UN Security Council following a petition from British [as published] Gen. Jean Cot, commander of the peacemaking forces in Yugoslavia. It is made up of 305 servicemen—officers, ensigns, sergeants, and soldiers serving in the Airborne Forces. This composite subunit is equipped with mortars, antitank weapons, and antiaircraft weapons.

It should be pointed out, Col. Gen. Podkolzin emphasized, that this additional contingent is joining the UN peacemaking force not to fulfill any separate task on Yugoslav soil but merely to reinforce the first Russian infantry battalion of "blue helmets," which is presently commanded by Col. Sergey Voznesenskiy. As is well known, our battalion has been there since April 1992 and is fulfilling a difficult task on the so-called demarcation line between opposing forces—Serbian and Croatian—which passes through the border zone between Serbian Krajina and Croatia. It extends for more than 100 km along the front and approximately 30 km deep. There are 24 checkpoints in the zone of responsibility of the battalion, which is in the "East" sector. Here the armistice is regularly violated, and there is shooting from both the Croatian and the Serbian side. Unfortunately, there have been casualties. To date two men have died in the battalion, and 19 have received injuries of varying degrees of severity. In short, Col. Gen. Podkolzin said, it is becoming increasingly difficult to fulfill the task in this region with the former forces, and our "blue helmets," moreover, only have small arms. This is why the decision has been made to reinforce the Russian UN battalion with men and combat hardware. Its task is as before—to bring peace to the Balkans....

Political & Media Issues

Chernomyrdin, Shumeyko Begin Talks With Journalists

LD0601152194 Moscow Mayak Radio Network in Russian 1330 GMT 6 Jan 94

[Text] A meeting between Prime Minister Viktor Chernomyrdin, First Deputy Prime Minister Vladimir Shumeyko, and the editors in chief of Russian periodicals and the heads of newspaper unions has begun at the Russian Government House on Krasnpresnenskaya Naberezhnaya. This is the first meeting the head of the Russian cabinet has had with such a representative group of journalists since he became prime minister a year ago.

The meeting may untie the complex knot of problems which has risen since the government's 25 November decision to reassess the basic assets of national economy enterprises. Media chiefs believe that the increase in the value of the basic assets of printing enterprises will lead to a six-fold increase in the cost of typographical services. The critical situation which has emerged has thus far all but led, like all journalists' protests, to a suspension of the publication of a number of publications from 10 January.

Opening the meeting, Viktor Chernomyrdin stressed that the Russian Government is looking closely at the journalists' problems, but he expressed the opinion that the journalists, who from the outset have favored market reform, have today become fully integrated into market conditions.

Newspaper Strike Called Off

LD0601160094 Moscow ITAR-TASS World Service in Russian 1515 GMT 6 Jan 94

[By ITAR-TASS correspondents Tamara Ivanova and Ivan Ivanov]

[Text] Moscow, 6 Jan—Prime Minister Viktor Chernomyrdin said today he will introduce a special procedure for operating the 25 November government decision on revaluing the basic funds of national economy enterprises with respect to the printing and paper-making industries and communications. He made this decision as a result of his meeting today in the House of the Russian Federation Government with the editors in chief of Russian publications and the heads of journalists' unions.

At the same meeting, the editors in chief promised not to hold the protest action—halting the output of a number of publications—planned for 10 January.

The 25 November government decision on reassessing among other things the value of the basic funds of printing enterprises could have led to a six-fold rise in the cost of printing services. The journalists of a number of publications threatened to strike in protest against this.

Yeltsin Aide Says Cabinet Reform Plan Not Signed Yet

LD0601223694 Moscow INTERFAX in English 1824 GMT 6 Jan 94

[From the "Presidential Bulletin" feature]

[Text] President Yeltsin has not signed a cabinet reform decree yet, and, as one of his aides told Interfax on Thursday [6 January], claims about possible cabinet reshuffles are premature.

More than that, he added, the decree makes no mention of personal government appointments. A week after the document is signed and the first session of the Federal Assembly is held, Yeltsin is to ask Chernomyrdin to submit the list of deputy prime ministers for approval.

The prime minister intends to have four assistants, two of them first deputies. Even today government sources name with certainty Gaydar and Soskovets as candidates to the posts of first deputies.

Earlier, a well-placed source reported to Interfax that the president returned the decree for more work on it. On receiving the draft shortly before the new year, Yeltsin has discussed it in detail with Chernomyrdin and some other senior officials.

After studying it carefully, he has requested clarification on several important issues.

Observers regard as virtually decided the resignation of the current Deputy Prime Ministers Aleksandr Shokhin and Sergey Shakhray. They also believe that Deputy Prime Ministers Yuriy Yarov and Aleksandr Zaveryukha will step down, too. As for Anatoliy Chubays, it is not yet clear whether he will leave the government altogether or will stay as Chairman of the State Property Committee but step down as deputy prime minister.

A senior presidential administration official has confirmed that Shakhray will most likely leave the cabinet. In his words, Shakhray is engaged "in splintering activity, aimed at heightening confrontation even before the opening session of the Duma."

In saying that, the official referred to a "meeting, initiated by Shakhray" to bring together Duma members, elected from one-mandate constituencies in republics and other autonomies (the program of the Russian Unity and Concord Party, which is led by Shakhray, is popular among a significant part of parliamentarians from across the Russian Federation).

After a speech by Shakhray at that meeting, representatives of Tuva, Yakutiya, Karachayevo-Cherkessiya, Mari-El, Kabardino- Balkaria, Dagestan, Ingushetia, North Ossetia, Chuvashia, and other autonomies announced the formation of a parliamentary group and voiced their intention to nominate Shakhray to the post of Duma Speaker. In a document adopted at the meeting, its participants declared that their goal is to implement the provisions of the Federative Treaty. They demanded to elevate

their group's status to that of a faction so that they can have equal rights in forming Duma structures.

Head of Government Auxiliary Staff Becomes Minister

LD0601224794 Moscow INTERFAX in English 1726 GMT 6 Jan 94

[Text] Russian President Boris Yeltsin on Thursday [6 January] raised the rank of Vladimir Kvasov, head of the government's auxiliary staff. Kvasov will remain in the same capacity but will have the rank of government minister.

Shokhin Not Sure He Will Remain in Government

LD0601173494 Moscow ITAR-TASS in English 1653 GMT 6 Jan 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow January 6 TASS—Russian Deputy Prime Minister Aleksandr Shokhin said he did not know if he would remain in the government after a new cabinet reshuffle.

In an interview with ITAR-TASS on Thursday, Shokhin said that a draft decree on the reorganisation of the government has been seen only by two people—President Boris Yeltsin himself and Prime Minister Viktor Chernomyrdin. "Neither I, nor other deputy prime ministers to whom I have spoken have not been involved in the work on a new structure of the government."

He pointed out that "this is not the best variant of reorganisation when deputy prime ministers are excluded from preparatory work."

Shoknin said that according to newspapers the number of federal ministers will be reduced and some state committees will be reorganised into ministries or other federal services.

Russian Prime Minister Viktor Chernomyrdin said earlier today that the upcoming cabinet reshuffle will considerably reduce the number of ministers in the Federal Government. He said that "the number of ministers will be reduced sharply. There will be not more than 30 of them" in the government. He vowed that "the reduction will not hamper the government's work, but rather make it more efficient."

Russian Deputy Prime Minister Vladimir Shumeyko said that "a decree on the reorganisation of the government will be signed by the president either today or tomorrow."

Speaking about his future, Shokhin said that if "the foreign economic bloc of the government 'dissolves' in the economic one, I will have to go to the State Duma" where he hopes to head its Foreign Affairs Committee, provided it will also handle foreign economic issues and CIS problems. "Though I have some other variants as well," he added.

He admitted that if Boris Fedorov is chosen to handle foreign economic issues in the government "it will be easier for me to express my politicised point of view on what he will be doing from the parliament rostrum."

Yeltsin Appoints Yuriy Baturin National Security Aide

LD0601192694 Moscow INTERFAX in English 1824 GMT 6 Jan 94

[From the "Presidential Bulletin" feature: By Andrey Pershin, Andrey Petrovsky, and Vladimir Shishlin]

[Text] Russian President Boris Yeltsin appointed Yuriy Baturin his national security aide Thursday, the president's press service reports.

Baturin, 44, Dr.Sc.(Law), a graduate of the Moscow Physic- Technical Institute, the Moscow Law Institute and the School of Journalism of Moscow University, has been the president's legal aide.

The introduction of the new position is in line with the Constitution, which calls for a strong presidency, the president's press secretary, Vyacheslav Kostikov, told Interfax's Vyacheslav Terekhov.

Furthermore, this is a natural continuation of the personnel policy in the post-Soviet period. Kostikov placed special emphasis on the fact that national security would be the responsibility of a civilian.

IF Note: According to a reliable source, Baturin was an adviser to Georgiy Shakhnazarov, an assistant to ex-USSR President Mikhail Gorbachev on foreign policy matters. Baturin was instrumental in drafting Yeltsin's key decisions last summer and autumn. In the opinion of a number of experts, he took part in working out in September of 1993 the presidential decree to dissolve the Supreme Soviet and Congress of People's Deputies and schedule new parliamentary elections.

On the threshold of the opening session of a new parliament, the president has taken a number of decisions concerning his close aides. On Tuesday, he decreed relieving Sergey Yushenkov, Mikhail Mityukov, Mikhail Poltoranin, and Ekaterina Lakhova of their duties because of their future parliamentary work. This has been reported by the president's information service.

Mityukov has up until now led the Presidential Committee on Legislative Initiatives. Poltoranin has been in charge of the Federal Information Center, Yushenkov has been Poltoranin's first deputy, and Lakhova has been a presidential adviser.

By yet another decree, Yeltsin has dismissed his envoy to the Maritime Territory, Butov.

Earlier, he sacked two advisers—Sergey Stankevich (on political affairs) and Aleksey Yablokov (on environmental problems).

Baturin Views Tasks

LD0701130494 Moscow INTERFAX in English 1139 GMT 7 Jan 94

[Text] Yuriy Baturin, 44, who was appointed Russian president's national security aide on January 6, told Interfax's Vyacheslav Terekhov that he was taken by surprise. "The presidential telephone buzzed. I took the receiver. Boris Nikolayevich (Yeltsin) says that he came to a conclusion that he needs a national security aide and that I should be that aide. I had a second to think it over."

In Baturin's words, he understood that "it would be inappropriate to refuse or ask questions. ... Not because he (Yeltsin) was harsh or anything but I felt he really needed it."

Baturin said that he had a first brief talk with the president about his new functions Thursday and "we'll have a more detailed conversation probably two or three days after the holidays (Russian Orthodox Christmas).

"I will be coordinating the activities of special services and supervision and decision making on everyday matters which must not encumber the president," Baturin explained.

He said that, in addition to foreign intelligence, services such as government communication, border guards and counterintelligence "which brings about the largest number of problems daily" report to the president.

Unlike the foreign intelligence which must present a report to the president once a week, there is no telling when a decision on counterintelligence will have to be made. "The president entrusts his national security aide with making a decision jointly with the chiefs of these services. I should naturally report to the president," Baturin said.

He will brief Yeltsin on the situation in general terms and report strategic issues on which the president alone has the right to make a decision.

Unlike the national Security Council which is a consultative body, the national security aide "will have to do business with special services daily."

Baturin said that a concept of national security existed which covered the activities of special services and defined the kinds of political and other activities which might harm Russia's national interests.

He told Interfax that following his appointment he had a talk with chiefs of the Federal Counterintelligence Service at their invitation. "Their attitude (towards establishing the position of a presidential national security aide) was very positive. They view this as an essentially new approach to security matters. We had a very good, productive, meaningful talk," Baturin said.

Federation Council To Be Under Presidential Administration

LD0601163494 Moscow INTERFAX in English 1427 GMT 6 Jan 94

[Text] Russian Vice-Premier Sergey Shakhray told an Interfax interviewer on Thursday that there is a plan to re-subordinate the State Committee for Federation Affairs and Nationalities he leads to the presidential administration.

Commenting on the project, he suggested that such a move would make the committee less effective. He said the committee could be more productive under the government's command. But within the presidential administration it would turn into a secondary department. He voiced conviction that the plan had been devised because of his personality and re-emphasized the need for leading the committee by a vice-premier, as usual. Otherwise, in his words, it is impossible to make the finance and other ministries and departments turn their attention to ethnic relations and regional problems. However, he added, "there is every indication that a different decision has been taken."

He believes that there must be a body to work out political recommendations for the president on ethnic and regional policies. As for the federation committee, it should implement presidential and government decisions in this sphere.

New Structure for Relations With Constitutent Members

LD0601223994 Moscow INTERFAX in English 1724 GMT 6 Jan 94

[Text] Sources in presidential circles reported to Interfax that a new structure to be in charge of ties with constituent members is supposed to be created in the government currently under reorganization. Vice Premier Yuriy Yarov is expected to head it.

The new structural body is to be created on the basis of the State committee on the Federation and nationalities and the unification of several other structures.

The sources indicated that the present State committee on the Federation would be withdrawn from the influence of the Party of Russian Unity and Concord [PRUC] headed by the vice premier and leader of the state committee Sergey Shakhray.

Ramazan Abdulatipov, another prominent functionary of the PRUC, works as deputy chairman of the State committee on the Federation. PRUC member Aleksandr Kotenkov heads one of the major structural branches of the committee.

Shumeyko Likely To Vie for Federation Council Speaker

MK0601131094 Moscow KURANTY in Russian 6 Jan 94 p 2

[Kirill Varov report: "Shumeyko Remains a Favorite"]

[Text] Among the outgoing vice premiers in the government undergoing reformation Vladimir Shumeyko, who is considered by many a potential candidate in the future presidential elections, may receive the best possible "employment." It is known that Vladimir Filippovich does not intend to renounce the honor of running for the post of speaker of the upper parliament chamber—the Federation Council—if his candidacy is proposed by the president. It is another matter whether he has any real chances of getting a vote of confidence from his colleagues in the chamber.

The lineup of forces in the Federation Council appears to be far more enigmatic than in the State Duma, where partisan colors are much brighter and more definitive. In the Federation Council, on the other hand, according to preliminary estimates, Russia's Choice has six mandates, the communists about 12, while the bulk of the "senators," including almost 140 people, is not affiliated with any movement or bloc. Or rather they belong to the party of Russian bureaucracy, being officials of various ranks, and therefore it is quite natural that the great communicator Shumeyko, deprived of apparent extreme characteristics, has good chances of coming to terms with his colleagues in the vast Russian apparatus. Although, to be sure, there are various options....

Shakhray Keen on Duma Chair

LD0601181594 Moscow Mayak Radio Network in Russian 1339 GMT 6 Jan 94

[Text] Lately we have been celebrating one holiday after another, but the complex political situation in Russia and the numerous uncertainties over how the Federal Assembly and State Duma will operate are preoccupying us very much. At the moment all parties and associations are declaring their positions and suggesting ways of making the work of the legislative body more constructive before the day the Federal Assembly holds its first sitting. We share these hopes too. This is what was discussed today at a press conference held by the leaders of the Party of Russian Unity and Accord. The press conference was attended by Olga Vasilenko.

She will tell us about the position held by this party, whose leader is Sergey Shakhray. Over to you.

[Vasilenko] The aim of this party's deputies is to revive confidence in parliament, in the law, and to prevent a repetition of the confrontation between the legislative and executive branches. The State Duma's work must be based on equality of all its deputies, regardless of how they were elected—from party lists or single- seat constituencies. In this connection, the representatives of the Party of Russian Unity and Accord believe that one of the speaker's deputies—of whom there should be no more than two—must definitely be nominated from deputies who were elected from single- seat constituencies. Furthermore, there should be a separate vote on each candidate, not on a package as is being proposed at the moment—and the votes must be secret.

The party announces that it is urgently requesting all deputies to agree that there should be no live relays from sessions of the State Duma. This is because there is a tendency for certain personalities to show off before the country whenever they are at the microphone and this undermines the parliament's professional reputation. All these points are made in the party's statement.

Journalists were also given a list of certain legislative initiatives which the Party of Russian Unity and Accord, as this party is known for short, is proposing. I wish to draw your attention to the fact that this party proposes that there should be a law on state support for the periodical press. As you know, this has now become a very pressing subject. It is also proposing a draft treaty on a confederation of states belonging to the CIS.

Among the answers to questions raised by journalists I think it would interesting to hear what Shakhray, who is currently a member of the government, had to say about his personal future and about his relationship with the president in this respect. Here is what he said.

[Begin recording] [Shakhray] However the question is decided, I consider the question of Shakhray's personal membership or non- membership of the government as a political side issue. Irrespective of how this question is decided, I shall not get hysterical or start shouting anything against the president or the government. Unfortunately I know this kitchen too well to behave in such a childish way.

[Vasilenko] Sergey Mikhaylovich, what do you think the Duma's first day will be like?

[Shakhray] I think the first day will be quite a calm one.

[Vasilenko] In spite of the pronouncements by certain politicians and deputies who are saying that all sorts of commissions of inquiry should be set up?

[Shakhray] Commissions will be set up. However, one should remember that the new Constitution does not allocate parliament any supervisory functions. So, these will be commissions for the preparation of parliamentary hearings on various questions, on parliament's rights. I have no doubt that there will be very many of these commissions on parliamentary hearings.

[Vasilenko] You spoke of your intention to stand for the Duma chairmanship.

[Shakhray] I rated my chances as 50-50. Remember that seven of the eight leaders of political associations—Zhirinovskiy, Gaydar, Yavlinskiy and the others [chuckles]—have agreed that Shakhray should not be allowed to become speaker. This reduces my chances, of course, but I don't think it ends them altogether, because work is continuing. I am ready to discuss this question, the question of my speakership, as a package with all deputies' associations, including political, territorial, and independent ones, and to seek a solution. [end recording]

There was a question about criticism of Shakhray for running a separate election campaign from Russia's Choice. Here is what Sergey Mikhaylovich thinks about this.

[Begin Shakhray recording] There are two reasons for the percentage won by Russia's Choice. The first reason is the shock economic policy which created the social base for Zhirinovskiy and his ilk. The second reason is the unprofessional work with the mass media during the preparatory campaign. All other political associations—those of Shakhray, Yavlinskiy, and some others—were denied access. Only three of them—Russia's Choice, the Communists, and Zhirinovskiy—were allowed screen time. Furthermore, they tried to use the Communists and Zhirinovskiy as a means of intimidating the electorate, by showing them how bad the alternative to themselves would be. But this attempt to discredit them did not work. It only succeeded in giving them more publicity. [end recording]

Naturally the journalists asked how the votes would be apportioned in the State Duma.

[Begin Shakhray recording] I think all coalitions in the Duma will be formed in accordance with each specific question being debated. For better or for worse, there won't be any formally organized, block-voting coalitions in the Duma. But, whenever these questions have come up, I have always called on people to make a comparison between the present corps of deputies, with all its shortcomings, and the corps of deputies in the former Russian Supreme Soviet. According to Vorotnikov, who was leader of the Russian Federation during that period, democrats had 22 percent of the seats in that parliament. Now there are more of them, although they are still less than half. [chuckles] In other words, some progress has been made, in spite of everything. [end recording]

To conclude, let me say that Sergey Shakhray was, as always, calm, confident, laconic and—judging by everything—very constructively disposed towards his return to legislative work.

Chernomyrdin To Seek Vote of Confidence From Duma

AU0601165294 Paris AFP in English 1631 GMT 6 Jan 94

[Text] Moscow, Jan 6 (AFP)—Russian Prime Minister Viktor Chernomyrdin will seek a vote of confidence from the Duma, or lower house of parliament, when it meets next Tuesday [11 January], Deputy Prime Minister Sergey Shakhray said Thursday.

He told reporters that the move "would help eliminate any misunderstanding between the government and the deputies."

Shakhray added that the 24 deputies belonging to his party, the Russia Unity and Accord Party that ran against the government-backed Russia's Choice party during the recent legislative elections, would give Chernomyrdin their vote of confidence.

He said that he expected a government reshuffle planned by President Boris Yeltsin to be a source of tension between the Kremlin and parliament, which has little say in the matter.

Shakhray, who may be targeted by the reshuffle according to local press reports, said he would not react "hysterically" if that were the case.

He said he plans to seek the presidency of the Duma despite the clear opposition of many of the political parties.

Federal Assembly Chambers To Meet Separately 11 Jan

LD0601214494 Moscow ITAR-TASS in English 1620 GMT 6 Jan 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[Text] Moscow January 6 TASS—The two chambers of Russia's new parliament called the Federal Assembly will hold separate meetings on January 11, and not a joint meeting as planned earlier, informed sources told ITAR-TASS.

The upper chamber, the Federation Council will meet at 10.00 Moscow time in the building of the former house of the press at 25, Bolhsaya Dmitrovka.

The lower chamber - the State Duma—will convene at 36 Novy Arbat Street, the building which used to house the COMECON [Council for Mutual Economic Assistance] headquarters and then the Moscow mayor's office.

In accordance with the constitution of the Russian Federation, the first meeting of the upper chamber will be opened by the president. The constitution does not provide for a joint opening session of the two chambers of the Federal Assembly. They can meet in a joint session to hear messages from the president and the Constitutional Court of the Russian Federation, or speeches by the leaders of foreign countries, as well as to attend the ceremony in which the president is sworn in.

Parliament Yet To Solve Accommodation, Procedure Problems

PM0601142994 Moscow KRASNAYA ZVEZDA in Russian 6 Jan 94 p 1

[Vladimir Yermolin report: "The Government Can Be Congratulated on Its New Home. But What of the New Russian Parliament?"]

[Text] Four days remain until the Russian Federation Federal Assembly starts its work. It seems that this uncommon event in the country's life will be marked by the last-minute rush which is traditional for projects due for completion. In the new parliament's press center we were told that the venue for the first session is still unclear: either the Kremlin or the building which until the well-known events belonged to mayor's office. There is also total obscurity in respect of the standing orders. There is no question of agreed candidacies for the speaker and his

deputies—which, however, is not a drama in itself. We have been told by the Central Electoral Commission that four days before the State Duma begins its work the lists of deputies from parties and associations are still being sorted out.

Objectively speaking, the procedure for finishing such an important "project due for completion" has been messed up by the holidays, and there is also the effect of the "unraveling government"—part of it has gone to apartments at the White House, and part has resigned in connection with the reform of government structures. The telephones —not to mention continuity—have been cut off.

Independents Form Parliamentary Group in State Duma

LD0601162294 Moscow INTERFAX in English 1345 GMT 6 Jan 94

[Text] Forty five State Duma deputies elected in single-seat constituencies have set up a parliamentary group of independents and adopted a declaration and provisional rules. They will press for equality of party and other parliamentary groups.

The group will be headed by Gennadiy Kalistratov, former people's deputy. In the former Supreme Soviet of Russia he was deputy chairman of the Industry and Energy Committee and a member of the Industrial Union group.

Independent deputies had a meeting with Prime Minister Viktor Chernomyrdin in Moscow Wednesday. They called for a better social protection of the population in the government's reform program.

Chernomyrdin Meets Communist Party Leaders

LD0601173794 Moscow ITAR-TASS World Service in Russian 1711 GMT 6 Jan 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow, 6 Jan—Today Viktor Chernomyrdin, the chairman of the Russian Federation Government, met the leadership of the Communist Party of the Russian Federation, within the framework of consultations with leaders of electoral blocs.

During the meeting they discussed prospects for the development of the Russian economy in 1994 and the progress of the implementation of the Russian Government program, approved by Boris Yeltsin, for the country's socio-economic development in 1993-1995. An ITAR-TASS correspondent learned this from the press service of the Russian Federation Government.

Federation's Communist Parties Start To Unite

LD0601152394 Moscow ITAR-TASS World Service in Russian 1404 GMT 6 Jan 94

[ITAR-TASS correspondent Igor Belskiy]

[Text] Moscow, 6 January—A Union of Communist Parties (Roskomsoyuz) ["Russian Communist Union"] has, in effect, come into being in Russia. This statement was made to journalists today by Aleksey Prigarin, leader of the Union of Communists, who talked about the results of the meeting of the ruling bodies of all-Russia communist parties, held at the end of last year. The meeting, he pointed out, proclaimed the start of the consolidation of the previously uncoordinated and extremely small All-Union Communist Party (Bolsheviks), the Russian Communist Workers' Party, the Russian Party of Communists, the Union of Communists, and the Leninist Platform in the CPRF [Communist Party of the Russian Federation].

According to Aleksey Prigarin, the basis for the consolidation of these forces was provided by their common stance on the December elections and referendum.

Particular attention was devoted by the news conference organizers to an exposition of their view on the stance adopted by the CPRF leadership, given the conditions actually existing in Russia. As Aleksey Prigarin put it, the Communist Party of the Russian Federation, headed by Gennadiy Zyuganov, had, in effect, adopted social-democratic positions. Aleksey Prigarin decribed the emergent Union's relations with the CPRF as "amicably hostile."

Military for Democracy Movement Favors State Control

LD0601134894 Moscow ITAR-TASS in English 1316 GMT 6 Jan 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow January 6 TASS—The coordinating council of the Military for Democracy Movement has supported the idea to create a system of state political control over power structures. Its statement, received by ITAR-TASS today, pointed out that the absence of such control "resulted in the self-isolation of the armed forces and the work of the military leadership without taking into consideration the economic and political processes in Russia." As a result of it, authors of the statement believe, "social tension among servicemen heightened both in the Army and the Navy."

The Military for Democracy Movement urged the Russian president and government to "take all necessary measures for improving the situation in the power structures of the Russian Federation, for which the personnel policy should be shaped directly by the Russian president."

National Salvation Front Accuses Authorities of Fascism

LD0601140194 Moscow Russian Television Network in Russian 1100 GMT 6 Jan 94

[From the "Vesti" newscast]

[Text] A specter is stalking Europe. It is the specter of fascism, and it is not from the opposition but from the executive, said leaders of the National Salvation Front said at a news conference today.

As confirmation of the fact that the country is moving toward dictatorship, (Viktor Ryukhin) primarily cited the president's dissolution of the Ministry of Security, in his words, the only organization capable to standing up to political and physical terror. So what was the KGB doing then, if not engaging in terror?

[Begin (Ryukhin) recording] The present situation in Russia is reminiscent of that of 1933 and 1934 in Germany. The constitution has been thrown right out just as in Germany at that time. It would seem that Russia does have a law, but it is utterly inoperative. [end recording]

[Reporter] It was said several times that the authorities have set up some kind of death squads which were allegedly tried out during the October tragedy. True, the opposition went on to the attack, thank God not with weapons, but with statements from the committee in defense of the victims of political terror and the Lefortovo committee. The statement says the shooting at the defenders of the White House was violence against democracy, just like the shooting of Barkashov and the subsequent detention of a wounded man with no legal grounds of any kind.

However, when journalists asked if they have any documentary confirmation of a Zionist [word indistinct] squad taking part in the storming of the White House and of the authorities' forming death squads, the patriots were unable to give an intelligible answer.

Democratic Party Preparations for Work in Duma Described

PM0601150594 Moscow PRAVDA in Russian 6 Jan 94 p 2

[Interview with Vyacheslav Smirnov, secretary of the Democratic Party of Russia's "ruling body," by Valentina Nikiforova; place and date not given: "Our Deputies Did Not Take Leave"]

[Text] Many voters have admitted voting for Communists and Agrarians although they also sympathized with the Democratic Party of Russia. Three weeks later Democratic Party of Russia headquarters is receiving telephone calls again. People are now asking: Are the Travkinites preparing to work in the State Duma? It is said that people from government blocs are already sharing out the positions.... What is the party doing? PRAVDA asked Vyacheslav Smirnov, secretary of the Democratic Party of Russia's ruling body, to talk about this.

[Smirnov] Our deputies did not take [New Year] leave, and on 1 January party leader Nikolay Ilich Travkin relinquished his powers as head of the administration of Moscow Oblast's Shakhovskiy Rayon and set about preparing for serious work in the Duma. Our faction, although for the time being this is a conditional name, is not very big. That is why consultations with deputies from other blocs are now going on. There have been meetings with the Agrarians, the Communists, the Women, the Party of Russian Unity and Accord, "Yabloko," and even the Liberal Democratic Party's "second echelon." The main topic is how to stop the Duma turning into a farce. There are fears that people will immediately try to discredit it.

[Nikiforova] Have Democratic Party of Russia deputies agreed to do only ordinary work or do they aspire to leading posts in the Duma and in committees?

[Smirnov] Our deputies have no particular aspirations. But there have been enticing offers. For instance, to S. Glazyev and O. Bogomolov. The party's ruling body has advised them not to refuse.

[Nikiforova] What is S. Govorukhin doing?

[Smirnov] The party has given Stanislav Sergeyevich the task of completing the film "The Great Criminal Revolution." If deputies are able to watch it at the beginning of the Duma's proceedings I am sure that work will proceed more productively.

Yeltsin Associate Accuses Shakhray of Splitting Activity

LD0601161494 Moscow INTERFAX in English 1345 GMT 6 Jan 94

[Text] Sergey Shakhray, the PRUC (Party of Russian Unity and Concord) leader, is engaged in a splitting activity which will increase the confrontational trends even before the State Duma opens, Interfax was told by a senior official in the presidential headquarters who preferred to remain anonymous. He noted that Shakhray called a meeting of Duma members who were elected in single-mandate districts from the republics incorporated in Russia. Following Shakhray's speech, 15 deputies of Tuva, Yakutia, Karachayevo-Cherkessia, Mari-El, Dagestan, Ingushetia, North Ossetia and other autonomies declared the setting up of a group which would nominate Sergey Shakhray for the position of the State Duma speaker. The deputies said that the group will work for implementation of the Federative Treaty. They want this group to be given the standing of a parliamentary party to be able to contribute to the formation of the State Duma bodies.

Shakhray's Party Concerned Over State Duma's Future

LD0601172194 Moscow ITAR-TASS in English 1552 GMT 6 Jan 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow January 6 TASS—The Party of Russian Unity and Accord supports the position of the Interregional Association of Independent Deputies on the election of the State Duma leadership.

Party leader Sergey Shakhray, who is also Russian vice-prime minister, told a news conference in Moscow on Thursday that there have been attempts by large election

blocs to predetermine the fate of the State Duma behind the back of the majority of deputies. He stressed that the Party of Russian Unity and Accord is ready for forming a broad coalition in the Duma "at least on the basis of a common approach towards the principle of election of the Duma chairman." This would ensure the equality of all deputies, he added.

Independent deputies of the State Duma warned on Wednesday that large election blocs are seeking to gain control of the State Duma.

A statement issued by the Inter-Regional Association of Independent Deputies of the lower house of the Federal Assembly suggested reforming the house factions not only by the principle of their party orientation, but also by other principles. It also proposed forming ruling bodies of the house on a parity basis. The deputies believe that every candidate should be elected by secret ballot.

They said that deputies of the State Duma chairman should be elected on a parity basis: One from the election blocs and the other from individual constituencies. Additionally, the house procedural regulations should be based not on a party principle, but on the principle of multifactionalism which takes into account the interests of the whole deputy corps. As for the procedural regulations they should not violate the constitution or contradict the voters's will, the deputies said.

Shakhray said his party believes that the government should raise the question of confidence in itself in the State Duma. This would be a "forestalling step by the Cabinet of Ministers to promote interaction between the government and the parliament." In any case "we will support Viktor Chernomyrdin as prime minister," Shakhray added.

Agrarian Party Sets Out Foreign Policy Priorities

LD0601223394 Moscow INTERFAX in English 1632 GMT 6 Jan 94

[From the "Diplomatic Panorama" feature]

[Text] Leader of the Agrarian Party [AP] of Russia Mikhail Lapshin says Russian troops must continue to guard the Tajik-Afghan border. "If not, our external borders will soon lie just outside Moscow," he told Interfax.

While hailing Russia's peacemaking role in what Russian diplomats describe as "near abroad" countries (meaning former Soviet republics), the AP leader is skeptical about Russia's involvement in similar operations elsewhere. In his view, Russia should have stayed away from the UN peace mission in the former Yugoslavia after betraying its fellow Slavs, notably Serbs there.

Nor does Lapshin share the foreign ministry's position on Iraq. "Supporting US police actions is not Russia's business," he said, adding: "I have a vague idea of the ruling regime in Iraq, but regimes come and go while people stay on."

The electoral platform of the Agrarian Party, which consults on foreign policy issues with former Soviet Foreign Minister Aleksandr Bessmertnykh, did not contain a section on international affairs. There are two reasons to explain this, Lapshin said. One is the brevity of the election campaign. The other—foreign policy issues as applied to the strategy and tactics of the Agrarian Party, place the need for independent but competent experts. In our view, should the AP find itself to be a tiny party in the new parliament, it ought to focus on the farming sector's problems alone, he said, but with broader representation, the party would elaborate its own approach to foreign policy issues.

Judging from Lapshin's interview, the AP's approaches appear to be shaping up. Our party, he said, sets great store by Russia's economic and political independence. On foreign policy matters, Lapshin said the AP would stick to the concept of the country's self reliance for food, which among other things, provides for government regulation of food imports.

Campaign Funding Affair Seen Not Imperiling Zhirinovskiy

MK0601125094 Moscow SEGODNYA in Russian 6 Jan 94 p 1

[Mikhail Leontyev commentary: "Elections Financing: "None Will be the Wiser?"]

[Text] Today is the deadline for submitting to the Central Electoral Commission documents about the sources of financing for the election campaigns of deputies and electoral blocs. While some blocs will have no difficulty providing the documents, a sizable number of deputies and parties have nothing to line up. One need not be surprised at a situation where, for example, the special account of "Zhirinovskiy's party" will show "zero" both in income and outgo in addition to the 50 million rubles issued by the Central Electoral Commission. Whereas the LDPR [Liberal Democratic Party of Russia] had to disclose this account if only to receive the government subsidy for television in the election campaign, for many deputies doing so simply made no sense.

The fact is that the election regulation is only very particular about the use of special election accounts, whereas no one proscribes the use of any other accounts belonging to these persons and parties or to totally extraneous ones. This is something that virtually all blocs and deputies did. More, the extremely detailed rules on the use of special accounts envision no concrete sanctions for their violation. Therefore, neither the use of foreign sources nor the receipt of state funds to finance an election campaign can really endanger one's deputy seat thus received.

However, accountants for newspapers, radio stations and, first and foremost, television have all the documents in payment for ads and air time. The content of these documents is no commercial secret or even simply confidential information. No one is preventing television and the newspapers from publishing the sizes and sources of payment of these election campaign expenses—and thereby to fulfill their moral and civic duty since the poorly

compiled election regulations leave society at sea about who finances today's people's choices.

Yeltsin Edict on Justices Seen as Contravening Constitution

PM0601141394 Moscow PRAVDA in Russian 6 Jan 94 p 1

[Viktor Trushkov article: "Edict Not Bound by Constitution"]

[Text] It was dinned into both us and the world that the Russian Federation Constitution would come into force the moment it was published, that is, 25 December 1993. It is logical to assume that Article 90 of this document came into force at the same time. It says, in particular: "The edicts and directives of the president of the Russian Federation must not contravene the Constitution of the Russian Federation and federal laws." Incidentally, it was made the Constitutional Court's duty to monitor this.

But what fate befell it? First, the Constitutional Court was preserved, and second, Section 2 of the new constitution stipulates: "Courts in the Russian Federation administer justice in compliance with the powers laid down by the present Constitution. After the Constitution has come into force, the justices of all courts in the Russian Federation retain their powers until the expiry of the term for which they were elected. Vacancies are filled according to the procedure established by the present Constitution." The same document stipulates that in all there are 19 Constitutional Court justices (since 13 justices were elected at the end of 1991, there are six vacancies left), justices are elected by the Federation Council, and the president submits nominations to the upper house. Everything was provided for, no room for false interpretations was left. But....

On the day the fundamental law officially came into force the edict "On Filling Vacancies for Federal Justices" appeared. Already it lays down quite different norms. In particular, it orders...the Ministry of Justice and the All-Union Congress of Justices to submit independent lists of candidates for vacancies in the Constitutional Court. But that is not all. The president has stretched the number of vacancies by including in it the positions now held by V. Zorkin and V. Luchin. Thus, along with the new constitution, the Law on the Constitutional Court has been contravened. This federal law says that justices' powers can be terminated only at their request or when they reach the age limit of 65.... But what we have here is quite a different matter.

It seems that the brand-new, spick-and-span constitution, even if it does contain unambiguous norms, does not protect awkward customers from arbitrariness on the part of the authorities. Of course, this is nothing new. The only new element is that the authorities have shown contempt for the fundamental law from the very first day it came into force.

Refusal To Dismiss Case Clouds Lukyanov Status

PM0601153394 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 94 First Edition p 2

[Yelena Shaposhnikova report: "SCSE Deputies"]

[Text] At a Supreme Court session yesterday examining the State Committee for the State of Emergency case Anatoliy Lukyanov's and Vasiliy Starodubtsev's lawyers once again made a statement regarding the dismissal of the case against their clients in accordance with Article 98 of the Constitution concerning the privilege of the corps of deputies. What is more, the lawyer Genrikh Padva even read out a New Year message from Boris Yeltsin to his new comrade-in-arms Anatoliy Lukyanov, in which the president voiced hope for their mutual fruitful cooperation.

The prosecution responded to the defense statement with a different explanation of the selfsame Article 98 of the Constitution. In the opinion of the prosecutor's office, it is not a question of universal, but only of limited [usechennyy] immunity, namely from detention, arrest, and searches. No more. And that is why interpretation of the contentious article is needed from the Constitutional Court, a body to which either the president himself, people's deputies, or members of government can appeal with queries. And since this is an extremely lengthy procedure, the prosecution asked the case of Lukyanov and Starodubtsev be be treated separately [vydelit delo Lukyanova i Starodubtseva v otdelnoye deloproizvodstvo].

However, after a long meeting the Supreme Court rejected both the lawyers' arguments and the prosecution's waverings. The trial of State Duma Deputy Anatoliy Lukyanov and Federation Council member Vasiliy Starodubtsev will be continued after 10 January.

The following question arises in this connection: Where is Lukyanov to go after Christmas—to the Duma to "share responsibility with the president for the fate of Russia" or to the dock? And if he nonetheless prefers the Duma, what will the court do then? After all, under Article 98 he can no longer be taken there by force!

Barkashov Shooting Could Have Been 'Staged'

PM0601142594 Moscow IZVESTIYA in Russian 6 Jan 94 First Edition p 2

[Aleksey Chelnokov report: "Barkashov Affair Alive in the General Prosecutor's Files and in Anonymous Letters"]

[Text] The first cross-examination of Aleksandr Barkashov, ringleader of the neo-Nazi "Russian National Unity" [RNU] movement, who received gunshot wounds at the end of last year, was held 4 January. In the interests of the investigation the results of the cross-examination are not being made public. Information about the arrested man passed on through TASS channels by the Russian Federation MVD [Ministry of Internal Affairs] Public Relations Center abounds in contradictions. Hence the

case of Barkashov's gunmen, who played an active role in the events of October, has become clouded with improbable rumors.

On Monday the law-enforcement organs publicly stated that "a detailed report on the RNU affair will follow" as early as Tuesday. However, at the promised time the power departments' press centers seemed to have decided to keep mum. What is more, they refused to comment on the report of the MVD Public Relations Center that the investigation into Barkashov on the prosecutor's directive had been...terminated one week after the suppression of the putsch. Vladimir Tskhay, chief of the team investigating the Barkashov affair, also refused to clarify anything on this question. It is known only that Barkashov is being "grilled" by investigators of the Russian Federation General Prosecutor's Office.

Meanwhile the circumstances of the attempt on the fascist ringleader are becoming more and more mysterious. It is not even known where exactly it took place. Two versions exist: In Zelenograd, and in Moscow Oblast's Krasnogorsk. In the only hospital in Zelenograd where the wounded man could have been operated on—the Third City Hospital—the report carried by MOSKOVSKIYE NOVOSTI that Barkashov stayed there 22 through 30 December has been categorically denied. Chief doctor Leonid Shushelya said that "following the appearance of the false report many doctors are refusing to go on duty, fearing reprisals from Barkashov's gunmen."

The "Krasnogorsk version" looks more authentic. Barkashov could have been operated on in three places in this city—in the Krasnogorsk Machine Plant's Medical and Health Ward; in the 114th District military hospital; and in the Vishnevskiy Central Clinical Hospital. Most likely the wounded man was registered under an assumed name.

How the attempt itself took place is also, to put it mildly, a cause of bewilderment. It is known for a fact that the fuehrer's bodyguard would never leave their leader's side. How did he come to be on the street in the hours before dawn, and completely alone? Why did the criminals not "finish off" their victim at that deserted hour? And finally, a strange coincidence: Where on earth did the car which took Barkashov to the operating table at 0400 hours come from...?

A person close to Barkashov told me that it cannot be ruled out that the incident was staged: that Barkashov shot himself, or received the friendly "assistance" of his comrades-in-arms. Only to what end? Yet another riddle...

Another riddle is the fact that the fuehrer is now being treated in the Russian Federation MVD Central Hospital, although, General Prosecutor Aleksey Kazanik said, he has been charged under a number of articles of the Criminal Code.

The other day many mass media were faxed a "Russian National Unity statement" in defense of their leader and signed by "the RNU Council." Another riddle: It is known that on 28 September last year Viktor Krivov, chairman of the RNU Council, quarreled with Barkashov and took some of the gunmen with him from the White House. So that a united Russian National Unity Council simply does not exist.

The Barkashov affair is turning into a web of unexplained circumstances. Some RNU members believe that it will never be untangled. Barkashov, thanks to influential friends in the power departments, will quickly find himself free, and ordinary members will take the rap for him on prison bunks.

'Theories' Over Barkashov Shooting

PM0601145594 Moscow SOVETSKAYA ROSSIYA in Russian 6 Jan 94 p 1

[Sergey Turchenko report: "Attempt on A. Barkashov's Life. Many Theories, Truth Hidden"]

[Text] SOVETSKAYA ROSSIYA has already reported (4 January 1994) that an attempt was made on the life of Aleksandr Barkashov, leader of Russian National Unity [RNU], 22 December. He is currently in an MVD [Ministry of Internal Affairs] hospital with a severe gunshot wound. In a statement issued through ITAR-TASS the Russian MVD promised to publish the official version of the circumstances surrounding this act of terrorism by 4 January. But the facts that have reached the editorial office so far are not only contradictory but sometimes mutually exclusive.

According to one theory, friends took the wounded RNU leader to an ordinary Zelenograd hospital under an assumed name. The Russian special services tracked him down and moved him to the MVD hospital, where Barkashov is allegedly being held under arrest in connection with the events of 3-4 October.

But the General Prosecutor's Office investigations group reported that Kazannik had long ago rescinded Barkashov's arrest warrant for lack of evidence.

According to another theory, supporters of the RNU leader had themselves asked the MVD to move him to a militia hospital and organize security, since they feared another terrorist attack on Barkashov, who allegedly knows certain details of the Supreme Soviet shooting that could be "deadly" for some people.

In this connection the following frank admission in MOSKOVSKIY KOMSOMOLETS (5 January 1994) strikes me as interesting:

"A statement by the 'fuehrer' (Barkashov—S.T.) received by us but not yet published clearly states that this brigade (the NATO 6th Brigade—S.T.) under the command of Colonel Dzheyk Kenti [name as transliterated] methodically shot people on both sides at the White House in October so as to 'make the conflict more bloody.' Israel's 'Jericho' 4th Special Forces Brigade and the 'Veytar' [name as transliterated] paramilitary organization were particularly brutal in dealing with unarmed women and old veterans. Moreover, in Barkashov's opinion, Yeltsin officially ordered that two high-ranking CIA station chiefs

be attached to the Security Ministry and that all the security agents to coordinate their operations with them."

I will not make any judgment as to the accuracy of this report, but if it contains even a grain of truth, Barkashov's life could indeed be in serious danger.

Economic Issues

Yeltsin Orders Adjusted Hold-Over Budget for First Quarter

PM0501160994 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jan 94 First Edition p 5

[Edict No. 2282 of the Russian Federation president "On Financing State Expenditure from the Russian Federation's Republic Budget in the First Quarter of 1994," dated Moscow, the Kremlin, 24 December 1993 and signed by Russian Federation President B. Yeltsin]

[Text] For the purposes of ensuring continuous financing of state expenditure from the Russian Federation's republic budget until the adoption of the Russian Federation Law "On the Republic Budget of the Russian Federation for 1994" and in accordance with Points 2 and 3 of the Russian Federation president's Edict No. 1598 of 7 October 1993 "On Legal Regulation During the Period of Stage-by-Stage Constitutional Reform in the Russian Federation," I decree that:

1. The Russian Federation Council of Ministers-Government is to be permitted to finance state programs and measures in the first quarter of 1994 proceeding from the Russian Federation republic budget's expenditure for the fourth quarter of 1993, established by the Russian Federation president's Edict No. 2234 of 21 December 1993 "On Amplifying the Indicators of the Russian Federation Republic Budget for the Fourth Quarter of 1993" and with due regard for the 90-percent increase in the minimum compensation as of 1 December 1993 in accordance with the Russian Federation president's Edict No. 2115 of 5 December 1993.

2. In the first quarter of 1994 part of the revenues from excise duties and value-added tax is to be transferred to the budgets of the components of the Russian Federation according to the normatives laid down in Article 4 of the Russian Federation Law "On the Republic Budget of the Russian Federation for 1993."

3. The Central Bank of the Russian Federation is to grant credit to the Russian Federation Council of Ministers-Government in the first quarter of 1994 to finance the expenditure of the Russian Federation's republic budget in the sum of 7.5 trillion rubles [R], including R300 billion to finance defense industry conversion programs on a return basis and R400 billion to finance investment programs, for a 10-year period, with repayment in equal instalments starting in 1998, calculated on the basis of 10 percent per annum.

4. The Russian Federation Ministry of Finance is to:

ensure the financing of the expenditure of the Russian Federation's republic budget in the first quarter of 1994 as revenues enter the budget, with due regard for Central Bank of the Russian Federation credit;

transfer from the Russian Federation's republic budget to the budgets of the components of the Russian Federation in the first quarter of 1994 subsidies and subventions to equalize the level of social provision for the population in the volumes envisaged for these purposes in the fourth quarter of 1993 and corrected for the increase as of 1 December 1993 in the minimum compensation in accordance with the Russian Federation president's Edict No. 2115 of 5 December 1993 and for the size of the Russian Federation republic budget arrears formed during 1993 in relation to this expenditure.

5. In order to change the terms for granting long-term credit allocated in accordance with Point 1 of the Russian Federation Supreme Soviet Decree No. 3125-1 of 26 June 1992 "On Granting Long-Term Credit to the Russian Federation Ministry of Finance" and Point 8 of the Russian Federation Supreme Soviet Decree No. 4130-1 of 18 December 1992 "On Bringing into Force the Russian Federation Law 'On Amplifying the Indicators of the Russian Federation Republic Budget for 1992,'" the Russian Federation Ministry of Finance is to be permitted to start paying interest as of January 1994 to the Central Bank of the Russian Federation calculated on the basis of 10 percent per annum.

6. The Russian Federation Ministry of Finance is to be entrusted, jointly with the Russian Federation Pension Fund and with due regard for the results of the implementation of the Pension Fund budget in 1993, with examining the question of extending to the first quarter of 1994 the validity of Article 7 of the Russian Federation Law "On the Republic Budget of the Russian Federation for 1993."

7. This edict is to be submitted to the Russian Federation Federal Assembly for examination.

8. This edict comes into force the moment it is published.

[Signed] Russian Federation President B. Yeltsin
[Dated] 24 December 1993

Yeltsin Edict on Federal, Regional Budgets

PM0601161994 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 94 First Edition p 4

["Edict of the Russian Federation President on the Formation of the Russian Federation Republic Budget and Its Relationship With the Budgets of the Russian Federation Components in 1994," signed by Russian Federation President B. Yeltsin and dated 22 December 1993]

[Text] With the aim of ensuring the uninterrupted financing of state expenditure pending the adoption of the Russian Federation Law "On the Russian Federation Republic Budget for 1994," and in accordance with Points 2 and 3 of the Edict of the Russian Federation President

dated 7 October 1993 No. 1598 "On Legal Regulation in the Period of Constitutional Reform in the Russian Federation," I decree:

1. That it is laid down that the revenue of the Russian Federation republic budget in 1994 is formed by:

value-added tax;

tax on the profit of enterprises and organizations;

excise duty on petroleum, gas, coal, spirits, vodka, liqueurs, automobiles, and goods imported onto the territory of the Russian Federation;

income from foreign economic activity;

income tax from individuals (at a rate of 1 percent);

deductions (taxes) on the reproduction, protection, and defense of forests;

deductions on the reproduction of the mineral and raw materials base, with the exception of deductions which, according to the established procedure, remain under the control of mining enterprises that independently finance geological exploration work;

payments for the right to use natural resources;

tax on transactions involving securities, specifically payments for the registration in the Russian Federation Ministry of Finance of prospectuses on the emission of securities, and also payments on deals made using securities;

income from the privatization of federal property, dividends from shares belonging to the state, and income from the commercial use of state property by enterprises, institutions, and organizations;

money from land tax and rent for agricultural land paid into the Russian Federation republic budget by national-state and administrative-territorial formations for the financing of centralized measures;

the state duty on cases examined by arbitration courts;

other taxes, duties, and payments determined by Russian Federation legislation.

2. That the following are consolidated in the Russian Federation republic budget: all non-budget state funds, whose revenue is formed by compulsory payments by enterprises, institutions, and organizations with the exception of the Russian Federation Pension Fund, the Social Insurance Fund, and the Compulsory Medical Insurance Fund, preserving the targeted orientation of the consolidated funds.

The organs of state power of the components of the Russian Federation are recommended to consolidate similar non-budget regional funds within the budgets of national-state and administrative-territorial formations.

3. That the channeling of excise received from the sale of automobiles for citizens' personal use into the revenue of the Russian Federation Federal Road Fund is discontinued. The Russian Federation Council of Ministers-Government is to introduce into the established procedure proposals on compensation for losses in the revenue of the Russian Federation Federal Road Fund.

4. That it is laid down that decisions of the federal organs of power adopted after 1 January 1994 which lead to an increase in expenditure in the budgets of national-state and administrative-territorial formations are of a recommendatory nature. The implementation of such decisions is carried out on the basis of individual decisions of the governments of republics within the Russian Federation and the administrations of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, out of and within the limits of the revenues of their own respective budgets.

5. That it is laid down that income tax receipts from individuals which constitute the difference between the tax rates established by the Edict of the Russian Federation President dated 11 December 1993 No. 2129 "On the Regulation of Certain Questions of the Taxation of Individuals," and the part subject to inclusion in federal budget revenue are included in the revenue of the budgets of national-state and administrative-territorial formations.

6. That the Russian Federation Council of Ministers-Government is permitted to transfer the following revenues from federal taxation to the budgets of components of the Russian Federation:

50 percent of the total income from excise on spirits, vodka, and liqueurs, with the exception of excise on goods of this type imported onto the territory of Russia;

100 percent of the total income from other excise with the exception of excise on petroleum, gas, coal, automobiles, and goods imported onto the territory of Russia;

25 percent of the total income from value-added tax with the exception of the value-added tax on goods imported onto the territory of Russia, precious metals, and precious stones deposited in the Russian Federation State fund and released from it;

payments for the right to use natural resources according to the norms established by legislation;

the payment of taxes on operations involving securities, specifically payments for the registration of prospectuses for the emission of securities in the localities.

7. That it is laid down that additional taxes and duties in republics within the Russian Federation, krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg and additional local taxes and duties not stipulated by Russian Federation legislation may be introduced by decisions of organs of state power of components of the Russian Federation and local organs of state power. The payment of these taxes by legal entities should be effected out of the profit remaining to enterprises and organizations following the payment of income tax.

8. That a financial support fund is to be organized for the regions within the Russian Federation republic budget for 1994.

The Russian Federation Council of Ministers-Government is to ratify by 15 February 1994, following coordination with components of the Russian Federation, and implement as of the second quarter of 1994 the procedure for the formation and use of the aforementioned fund, which envisages common rules for the determination of the scale of financial support to the regions and the establishment of the direct dependence between the size of the aforesaid fund and the revenue of the Russian Federation republic budget.

9. That the Russian Federation Council of Ministers-Government is to prepare proposals on changing the Russian Federation budget and tax legislation which follow on from the provisions of the present edict and to implement these in the first quarter of 1994 in the Russian Federation Federal Assembly.

10. That the present edict is to be submitted for examination by the Russian Federation Federal Assembly.

11. That the present edict enters into force as of the second quarter of 1994 unless a different one is adopted by the Russian Federation Federal Assembly.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 22 December 1993

Revised Fourth Quarter Budget Figures Viewed

PM0601134794 Moscow ROSSIYSKIYE VESTI in Russian 6 Jan 94 p 1

[Yuriy Rytov report: "Duma Should Consider How To Keep Promises Made by Deputies During Election Campaign"]

[Text] I am making a small request of readers—work out how much deputies have promised their voters. I got cracking and figured it out—333 trillion rubles [R]!

To put that figure in context, the state budget for the fourth quarter is just R17 trillion. You have to be a real fantasist to promise the unimaginable!

So what is imaginable?

I have already written about the state budget in the fourth quarter of last year. I can now quote the revised figures.

In order to limit the Russian Federation republic budget deficit in 1993 to no more than 10 percent of GNP, republic budget expenditure in the fourth quarter of 1993 has been set at R22,246.8 billion.

The ceiling for the Russian Federation budget deficit in the fourth quarter of 1993 has been set at R5,510 billion after being partly reduced by revenue of R1,500.1 billion from foreign loans granted to the Russian Federation.

Where has this money gone?

The revised spending on financing the economy in the fourth quarter comes to R2,958.8 billion, including R1,368.3 billion in state subsidies.

R3,628.5 billion has been allocated to fund state programs and investments, specifically:

the agro-industrial complex—R526.4 billion;

financial support for northern regions—R558.3 billion;

the program to support peasant farms—R21.3 billion;

the enterprise support fund—R12.8 billion;

funding for defense sector enterprises undergoing conversion—R159.1 billion.

Defense spending comes to R4,476.4 billion, and spending on foreign economic activity to R1,303.1 billion.

Russian President Boris Yeltsin has instructed the government to adopt for execution the revised spending figures for the republic budget in the fourth quarter of 1993. And he has submitted this edict for examination by the Russian Federation Federal Assembly which, as is well known, will meet in January!

Our Duma will have the difficult job of thinking about how to sanction this lost money with dignity.

New State Privatization Program Viewed

PM0501155394 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jan 94 First Edition p 3

[Article by Aleksandr Velichenkov: "Privatization Dessert; In Late December Government Adopted New State Program of Privatization"]

[Text] Behind this document we can discern the guiding hand of the GKI [State Committee for the Administration of State Property] leadership. Let us recall that the GKI's previous attempts to establish a new state program ended with the program being recalled for further work while the GKI ultimately issued a statement on the extension of the operation of the old 1992 state program for a further three years.

The GKI has several reasons for wanting the program to be adopted right now. The main one is the desire to avoid a detailed examination in the new parliament which would end in an as yet unknown way. The document is being put into operation by a president's edict. It is characteristic that its draft lacked the point, traditional for the president's October and November decrees, according to which the document should be examined and approved by the Duma. But in the end it was decided not to bypass article three of the law on privatization, in accordance with which the state program is put into operation by parliament.

One of the document's clauses is extremely curious, banning the use of procedures for re-registering debts on which state enterprises have defaulted as bills of exchange and circulating these bills on the secondary market in securities. In practice that means one thing: The opportunity for demanding the payment of debts from state enterprises is

closed. As a result sooner or later the need will arise for another reciprocal setting off of debts. By defending its own property from being dragged apart in accordance with bill of exchange commitments, the GKI is in fact creating a situation in which no one is responsible for state enterprises' debts: neither the state nor the state enterprise itself.

The government session particularly criticized the benefits for investment funds (and that is tax legislation, not privatization legislation), procedures for the participation of foreign investors, and also the need to adopt a state program "for just half a year," that is until the voucher's term runs out. Although changing the privatization concept at a moment when the population has already used 80 percent of the vouchers is quite obviously already impossible.

Despite the fact that the state program provisions have been worked through, individual "underwater rocks" could prove too sharp. One of them is the privatization of uncompleted construction projects. This point is internally contradictory and provides unjustified benefits for the enterprise personnel and does not coincide with this question's interpretation by the recent Russian Federation Supreme Arbitration Court plenum.

The program also contains points which allow an expanded interpretation and which go beyond the framework of privatization legislation. But the program's main feature lies elsewhere. Without declaring new slogans, the new document fully confirms the thesis that within the framework of the current privatization there has been an internal substitution of its aims which has gone almost unnoticed. Instead of the "free" issue of state property to citizens proclaimed at the start, a different aim has emerged—the speediest removal of vouchers from circulation and the retention of the maximum proportion of unprivatized property under GKI patronage. To judge by Ye. Gaydar's speech at the government session, the subsequent scenario looks like this: The actual concept of privatization will change and the rights of labor collectives will be substantially curtailed.

By the end of the vouchers' term no more than one third of state property will have transferred to private hands. Although 110 million vouchers have already been put to use. In this connection serious doubts are strengthening that each voucher will be worth one 160 millionth of Russia's property.

In that sense the indexing of vouchers looks very attractive. But it looks as though it is possible only on paper as, indeed, is the indexing of fixed production capital. But for some reason the latter is being carried out for the second time in the past 18 months. Yet the indexing of vouchers has become something like a banned topic. In fact only enterprises' working capital is being privatized for vouchers now, that is the proportion of fixed capital at 1987 prices is becoming insignificantly small in the structure of the property of any enterprise. They can be spared this either by a decision of the GKI on indexing the voucher or by an analogous GKI decision on bringing working capital into line with 1987 prices through reverse inflation indexing. Either measure would fill the voucher with real values and not inflationary working capital.

To all appearances the SKI will not make up its mind to do that. The reasons are understandable. By leaving the "sweet course" for dessert it is reliably ensuring itself work for many years to come.

Ways of Increasing Oil Well Yields Viewed

PM0701121194 Moscow ROSSIYSKIYE VESTI in Russian 6 Jan 94 p 3

[Article by Anatoliy Fomin, Russian first deputy minister of fuel and energy: "What Will Oil Pool Provide?"]

[Text] The intensive reduction of oil extraction in Russia began after 1988, which went down in history as the year when the maximum of 569.5 million tonnes was extracted. Over the past six years the volume of annual extraction has declined by over 210 million tonnes. In the past two years the steepness of the spiral of decline has been characterized by the following indicators: a decline of 60 million tonnes in 1992 and of a further 50 million tonnes last year. In brief, the sector is in a deep crisis.

Why? The whole point is that there can be no talk of one single reason: Problems have mingled and settled one on top of another. It is scarcely possible to emerge swiftly and painlessly from beneath their heavy weight.

First of all we must consider that the quality of the sector's raw material base has changed—and not for the better. The highly productive stocks in local deposits have to a considerable extent already been worked out, and this is the primary reason for the intensive reduction in extraction. Virtually the entire array of oil boreholes has had to be transferred from the gusher method to mechanized methods of extraction. It is the turn of the mass commissioning of low-yielding deposits. The result is a drastic increase in demand for material and financial resources for the sector's development.

These increased demands have, unfortunately, come up against an opposite trend—a reduction in centralized capital investments in the development of oil extraction. The year of maximum extraction, 1988, has by an irony of fate become the last year in which sufficient funds were earmarked for drilling. Budget investments were a fair, albeit partial, compensation for the extremely low prices for oil. Through this policy the much-maligned administrative edict system nonetheless kept the sector afloat. The drastic cutting off of budget capital investments can only be described as a crime, with subsequent aggravating relapses.

The shortage of finance has meant a reduction in the volume of investments in the development of deposits, which has led in particular to the curtailment of drilling work. Thus the volume of operational drilling for oil has declined from 36 million meters in 1988 to 20 million meters in 1992, that is it has nearly halved. The pace of commissioning new deposits and the provision of wellhead facilities have declined. Because of the lack of technical

and financial assets over 30,000 boreholes are standing idle, and the necessary operating regimes are not being ensured at operating wells.

There are also problems of a geopolitical nature, connected with the big economic and political upheavals in the economies of the former Union and Russia. Links have been disrupted between enterprises, and without them the sector's material resource provision is being disrupted. The breakdown of traditional contacts with Azerbaijan and Ukraine, on whose territory the majority of USSR plants producing oil industry equipment and oil pipes for the entire country were located, has been a disaster. When will Russia develop a similar industry of its own?

Not all sources of problems should be sought in the past—some are emerging now. The sector's plight is being aggravated by mistakes in the price and tax policies being pursued in the course of economic reforms. These have not allowed oil industry enterprises to obtain a sufficient volume of funds of their own to make up for the centralized budget investments which the sector used to use for its development. The shortage of financial resources is fatally compounded by the overall crisis of nonpayment in the economy, whereby our enterprises, because of the rapid pace of inflation, take a long time to obtain money for the output they dispatch. The scale of the nonpayment problem—debts to the fuel and energy complex are building up in an avalanche and are already approaching 10 trillion rubles—of course greatly exceeds all others. At any rate, were it not for nonpayment many financial difficulties would have been overcome independently by the sector. Now it is in an impasse.

We should not pin hopes on the introduction of promissory notes. To whom should we present a promissory note? To the municipal services, to whom we are obliged to supply energy resources despite their inability to pay? Or to the industrial enterprises whose fixed capital is worth several times less than its debts? The process has gone so far that measures characteristic of an efficient market economy are no help here.

As a result of the simultaneous operation of these and other adverse factors, the accumulation and mingling of problems continues. It is not only oil extraction which is in decline—the entire oil industry is experiencing a slump and crisis is paralyzing the oil supply system. A paradoxical situation has taken shape: While we are grieving over the drastic decline in production we are unable to sell readily the oil we have already obtained.

Export deliveries are being disrupted. For instance, as of 24 November we had failed to deliver over 2 million tonnes of oil on schedule. At Novorossiysk, where our main terminal is located, we have been hampered by stormy weather, but in Ukraine and Belarus it is not just the elements that call the tune. We have been obliged to restrict deliveries to them because of chronic nonpayment. Once they encounter a few frosts they sometimes take advantage of the fact that oil pipelines cross their territory and try to lay hands on oil that does not belong to them, that is, they are simply starting to steal it. Thus in Belarus, in the Mozyr region, 112,000 tonnes of oil were recently stolen in a few days.

There are many problems connected with oil storage in Russia itself. Right now there is no room for nearly 3 million tonnes. A crisis has overtaken oil refining. Over the first 10 months of last year its volume declined by 31 million tonnes compared with the same period in 1992. The production of automobile gasoline, diesel, and fuel oil was respectively 84, 84.3, and 88.1 percent of the same period in 1992.

Another result of nonpayment has been the overstocking of oil refineries. They are not taking new raw material. According to a situation report for one particular day (24 November) five oil refineries turned away over 45,000 tonnes of oil. For instance, the "Angarsknefteorgsintez" association (and that means a little over 30,000 tonnes) refused deliveries completely. The Saratov oil refinery refused Kazakhstan oil: It cannot even "digest" its own Russian crude: Since the start of the year it has turned away 181,000 tonnes.

The nonpayment problem, while objectively destabilizing the operation of the finely tuned system of oil and oil refinery product supply, is also pernicious in that ordinary extravagance, inefficiency, and carelessness are hidden in its shadow. One way or another—even under conditions of the constant reduction of extraction—the transport pipeline network is constantly being overloaded. For instance, in the course of 24 hours we accepted 890,000 tonnes of oil but were able to distribute only about 850,000 tonnes, and the rest had to be left in the system. This counterwave ultimately surges back to the operating boreholes and may be said to lash them. That is why they have to be brought to a standstill.

Will anyone see one of the most serious problems behind such chaos—the extremely low yield of the oil reservoirs? And is now the time to worry about it? Despite everything, now is the time; because if we do not solve it, there is no future, there are no prospects. Can we really consent to leaving over half of the petroleum underground? This is impermissible now. After all, in the future we will have to bore deeper and deeper, overcoming the increasingly complex geological structure of the earth's interior. Developing such reserves requires the use of expensive new equipment, the creation of efficient methods of increasing the oil yield of productive strata.

Raising the oil yield of the strata thus becomes a strategic sphere of scientific-technical progress in the sector and another very important condition of the stabilization and development of oil extraction. That is precisely why, as more and more new deposits with reserves which are difficult to extract are put into exploitation, the scale of testing and the industrial use of hydrodynamic, chemical, thermal, and gas methods of increasing the oil yield is growing. Russia has at its disposal practically all the

technologies which are currently used extensively worldwide. Laboratory research and industrial testing of unconventional methods of bed stimulation are also being developed—vibration-seismic, biotechnological, and intrastratal generation of working agents.

Since the future of oil extraction is determined by the application and growth in efficiency of new methods and technologies, an analysis of the dynamics of this process is relevant. At present over 20 methods of increasing the oil yield and over 130 technologies for implementing them are being applied at experimental and industrial level. Work connected with them is being conducted at 333 facilities, and over 5 billion tonnes of initial reserves of oil are involved here. In 1992 an extra 33 million tonnes of oil were extracted as a result of the application of methods for increasing the oil yield of the strata, including: 24.3 million tonnes from hydrodynamic methods of stimulation, 6.7 million tonnes from physical-chemical methods, 1.5 million from thermal methods, and 0.5 million tonnes from gas methods.

The speed at which oil extraction is increaased as a result of applying the aforementioned methods will depend on the relationship between the favorable and hindering factors. Experts are making the following predictions for additional extraction from applying the new methods: 10-20 million tonnes by the year 2000, and 20-40 million tonnes by 2010.

So what is hindering us from making full use of the advantages of the new methods and technologies of raising the oil yield of the strata? Apart from the shortage of technical resources and chemical materials, the high proportionate exploitation costs and capital expense involved in utilizing them have raised serious obstacles. These are far higher than in traditional methods of oil extraction. Measures of a legislative and normative nature are needed, aimed at economic incentives for the application of efficient new methods of raising the oil yield of deposits. These measures would enable us to raise a whole stratum of problems, such as the financing of scientific-research and experimental-design work in the creation of new technologies and technical resources and the development of the material-technical base of institutes involved in the creation of the new methods. The main thing, however, is that prospects will be opened up for increasing the oil yield from deposits with reserves that are difficult of access.

Oil Production To Fall by 30 Million Tonnes in 1994

MK0501135094 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 1, 2-9 Jan 94 (signed to press 4 Jan) p C9

[INTERFAX report: "Oil Production To Fall by 30 Million Tonnes in Russia in 1994"]

[Text] In 1994, Russia will produce 327 million tonnes of oil with gas condensate compared to 357 million tonnes in 1993. The rate of oil production will be 8 percent against 10.5 percent in 1993 and 14 percent in 1992. These figures are cited in a draft report projecting the country's social and economic development in 1994 prepared by Russian Economy Ministry experts.

At present Russia rates third in the world in oil production after Saudi Arabia and the United States. The Russian oil complex comprises in particular 148,000 oil wells, 48,300 km of main oil pipelines, 28 oil refineries that can refine between themselves more than 300 million tonnes of oil a year. Being developed are 840 oil fields. Enterprises of the oil industry and auxiliary services employ nearly 900,000 people including nearly 20,000 in the field of science.

More than 40 joint enterprises created with firms of the United States, France, Canada, Britain, Switzerland, Austria, Belgium, Czechoslovakia [as published], and a number of other countries are functioning in the country's oil sector.

Food Prices Inflation Figures Cited

PM0601122994 Moscow ROSSIYSKIYE VESTI in Russian 6 Jan 94 p 1

[Unattributed report: "What Inflation Was Like in December 1993"]

[Text] The Russian Federation Council of Ministers-Government center for the economic situation reports that according to operational figures for the weekly monitoring of prices in December:

the overall inflation index was about 112 percent, including 102 percent for the period 21-27 December and 800 percent since the start of the year;

the growth rates of prices for food and nonfood goods continued to lag behind the change in rates for paid services for the population;

the growth of consumer prices in medium and small cities outstripped their increase in price in large cities;

the volume of sales of food goods was 5 percent higher than last month.

The cost of a selection of 19 of the most important foods in December throughout Russia on average was 30,700 rubles [R] calculated on a monthly basis and increased 11 percent compared with the previous month and sevenfold since December last year. The cost of this selection for stores (irrespective of form of ownership) is assessed at an average of R29,500 and for unorganized trade at R39,800. The cost of the selection according to prices which have taken shape at city and informal markets was 35 percent greater than its cost in the stores, as was the case in late November.

In December the gulf between the maximum and minimum cost of the selection in various Russian cities was equal to a factor of 3.8 times.

The greatest increase in the cost of the selection over the month was recorded in the Central Chernozem and Northern regions—16 and 15 percent respectively. And

the selection increased least in cost in the Central and Northwest regions—by 7 and 8 percent.

An increase of more than 20 percent in the cost of the selection of the most important foods was noted in 13 Russian cities. Of these the cost of the selection increased over 30 percent in Rubtsovsk, Abakan, Yuzhno-Sakhalinsk, and Naberezhnyye Chelny.

The cost of the selection in Moscow as of 27 December was equal to R34,600, exceeding November's level by 6.4 percent, while in St. Petersburg it was R29,700 (9.3 percent). In the list of observed cities Moscow moved to 35th place (in late November it was 33d) while St. Petersburg moved to 58th place (it was 59th).

Inflation Indexes in 1992 and 1993 (for end of the period, in percentages of December of preceding year)

	1992	1993
January	352	126
February	502	162
March	683	190
April	840	221
May	943	264
June	1,092	310
July	1,172	370
August	1,262	478
September	1,513	578
October	1,891	688
November	2,397	805
December	2,968	897

Average Cost of Selection of 19 Most Important Foods which Comprise the Basis of the Population's Weekly Purchases Calculated on a Monthly Basis in 1993 (for the end of the period, in rubles per person) December 1992—4,373
January—5,356
February—6,449
March—7,478
April—8,527
May—10,850
June—13,103
July—16,469
August—18,318
September—20,410
October—23,347
November—27,708
December—30,724

Firmer Dollar Against Ruble Seen as Temporary

PM0601174794 Moscow IZVESTIYA in Russian 6 Jan 94 First Edition p 2

[Ivan Zhagel report: "Ban on Hard Currency Trade So Far Unable To Influence Russians' Love for the Dollar"]

[Text] The auctions which took place in the Moscow Currency Exchange 5 January—the first of the new year—raised the exchange rate to 1,255 rubles [R] to the U.S. dollar, whereas in the final trading of last year it stood at R1,247 to the dollar.

In principle this jump can be considered insignificant in percentage terms. However, it is of special note that the demand for hard currency 5 January reached a record level for the entire existence of the exchange - initial applications to buy stood at $182,850,000, but the final volume of transactions was recorded at a level of $180,550,000. Thus are we witnessing a new flurry of heavy demand on the currencies market, with attendant consequences for the ruble?

I think that to draw such a conclusion would be premature. It is entirely possible that the record volume of hard currency trading could be caused by the factor of delayed demand—after all, the exchange had not operated for almost a week. On the other hand, the influence of another factor on the change in the situation on the currencies market is being viewed extremely seriously by specialists.

It is well known that an instruction from the Central Bank of Russia banning the sale of goods and services for foreign cash anywhere on the country's territory came into force at the beginning of the year. And many trade firms—and also wholesalers supplying goods from abroad—will be forced right from the first days of the new year to convert their ruble proceeds via the exchange so as to settle with foreign suppliers and maintain trade turnover at its previous level. This should objectively lead to an increase in the demand for hard currency and to a growth in the daily levels of exchange dealing.

Incidentally, here it is worth noting the formerly unheard-of law-abiding behavior of Russian businesmen, since the overwhelming majority of hard currency stores refused to accept foreign cash after 1 January. Well, if anyone refuses to accept the rubles of Russian citizens anywhere, V. Smirnov, deputy chief of the Central Bank of Russia's Main Administration for Currency Regulation and Currency Control stated, the bank calls on such citizens to inform it about such incidents, and the most decisive measures will be adopted.

However, so that misunderstandings should not arise, let me point out that the Central Bank's instruction banning hard currency trade has some exceptions. They regard stores situated in the extraterritorial zone, that is to say, after you have been through customs, or, say, foreign airlines selling tickets on Russian territory.

All the same, discrimination against the Russian ruble can now be considered to have been eradicated in principle in our country. But here the question naturally arises: What is there to balance the increase in the supply of rubles from trading organizations on the currencies market, so that the exchange rate of Russian money should not fall even lower?

Only the more active sale of foreign currency by Russian citizens could be such a counterweight; according to specialists' estimates, the public have already accumulated several billion dollars' worth. But such a change in behavior patterns cannot, unfortunately, be observed at the moment.

At any rate, in the words of S. Stolyarova, chief of the "Rossiyskiy Kredit" bank's department of exchange outlets, at the end of last year their volume of sales of hard currency to the public reached a near-record level. And in the first two-three days of the new year the trend has not changed.

Nevertheless, it can be hoped that the situation will change markedly in two-three weeks' time, when the majority of customers of former currency stores will be forced to begin exchanging their dollars or German Marks for rubles. After all, they will not want to give up frequenting expensive stores and restaurants, and foreign cash will not be accepted in these places.

However, there is no doubt that a radical change in the behavior patterns of Russian citizens with regard to foreign currency will occur only when the dollar ceases to be a means of accumulation and when inflation falls to a level covered by interest rates on bank deposits. In this sense December has aroused in us real hopes; after all, inflation was at its lowest for the whole of the past year—only 12 percent per month.

Wage-Led Service Charges Show Biggest Dec Increase

PM0501163994 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jan 94 First Edition p 3

[Report by Gennadiy Bortsov of the Russian State Committee for Statistics: "Inflation in December Was 12 Percent"]

[Text] In December the inflation index was 112 points and turned out to be the lowest since the beginning of the year. In 1993 as a whole prices of consumer goods and services increased tenfold.

From 21 through 27 December prices of foods increased by 2.3 percent, nonfood goods by 1.6 percent, and services by 1.7 percent.

The foods that registered the biggest price increases were eggs—six percent; fish products—3.9 percent; and vegetables—3.6 percent. Tobacco products (0.9 percent), flour (1.2 percent), and salt (1.3) percent showed the smallest increases. Sugar prices remained the same, except in in Yoshkar-Ola, Makhachkala, and Ufa, where the price increased by 4-7 percent.

Prices of meat and meat products and bread and bakery products increased by 2-2.3 percent on average.

In the period before the new year meat prices increased at the rate of 3.8 percent in city markets and prices of vegetables and fruit increased at the rate of 4.8 percent, a higher rate than in the previous weeks of December.

In December the price of industrial consumer goods increased by 10.5 percent, but at the end of the month the prices of cultural and everyday items were hardly rising at all. The increase in prices of sewn and knitted goods was within the range of 1.3-2.1 percent over the week.

The increase in prices and tariffs in the sphere of consumer services was higher than in the case of food and commodities and was 15.4 percent in December. Against this general background the rates for notaries' offices' services showed a sharp, twofold increase, since they depend on the official minimum level of pay. There was a faster-than-average increase in the rates for chargeable medical services. For instance, the charge for an initial consultation at the end of December was more than 2,000 rubles and the charge for a general blood test was 1,233 rubles. Dry cleaning and hairdressing rates increased by 1.2-2.1 percent over the week.

Seminar on Relations Between Business, Crime

PM0601145194 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 94 First Edition p 3

[Boris Sopelnyak report: "First We Steal...in Other Words Accumulate"]

[Text] "Honest Business"—that is the name of an international seminar, which has opened in Moscow on the initiative of the Criminological Association.

We ordinary mortals do not know that lawyers entertain in all earnestness a concept which acknowledges that enterprise and crime are indissolubly linked and that it is time to introduce a moratorium on the struggle against economic crime. What are the arguments for this? OK. It is impossible to accumulate original capital honestly—that is self-evident. So, a moratorium must be introduced. When criminal businessmen steal, pardon me, accumulate quite a lot of money, they start investing it in legal business, thus helping out society by producing goods, creating jobs, and so on.

Nonsense? Nothing of the sort. This concept has not emerged from nothing and it has quite a few supporters. Admittedly, there are also other professors who think that you can avoid bloodshed, racketeering, and thievery when accumulating capital, but this group is clearly in the minority.

Life regrettably confirms that the first group of scientists are correct. M. Yegorov, Russian first deputy minister of internal affairs, said that over 40,000 state and commercial enterprises belong to criminal groupings. These groupings, using counterfeit advice slips and other methods, have effected financial operations worth over 1 trillion rubles.

Typically these bigwigs have little scope for crime and they are making vigorous inroads into politics, but this kind of fusion of criminals and corrupt politicians is very dangerous. The strangest thing is that Russia still does not have clear laws to help distinguish between honest and criminal business.

Criminal groupings are dividing up spheres of influence at full speed—from below—but at the very top a completely new trend has emerged: the creation of powerful organizations with leadership at oblast, kray, or even regional level.

In this situation the largest commercial structures must set up their own security services, but they still cannot do without the militia. And many people realize that. At any rate businessmen's mistrust of internal affairs organs is gradually subsiding. Today the Ministry of Internal Affairs is willing to guard banks and offices and transport money and securities, as well as ensure personal security. I am of course only talking about honest business. It may nonetheless exist....

Import Duties Seen as Counterproductive

PM0601093194 Moscow IZVESTIYA in Russian 5 Jan 94 First Edition p 2

[Article by experts Pavel Teplukhin and Iokhann Bermut: "Why Milk Goes Sour Quickly in Russia"]

[Text] A new list of duties on imported goods is being discussed extensively in various ministries in Moscow.

Duties on imported goods may serve several purposes. First of all, there is basic protectionism, that is, the protection of domestic manufacturers against competition from foreign companies. Second, the fiscal aim, or the strengthening of the income part of the state budget. Third, by regulating the flow of commodities into the country, you can strengthen its balance of payments and the national currency rate. Some people in Russia believe that high tariffs can be used to protect consumers' interests within the country.

First of all, something about protectionism. The main rule is that you cannot simultaneously protect all sectors by means of tariffs (this can be achieved only by completely closing the borders, with entirely predictable consequences). You can only protect individual, relatively small industries. Let us suppose that a decision is adopted to raise tariffs on the import of automobiles, automobile spare parts, and machine tools. Does the Volga Motor Vehicle Plant gain something? Can it successfully compete even on the domestic market against imported output? The answer is by no means obvious. The price of imported automobiles will go up to some extent. This will be followed by the price of domestic automobiles, but the plant's profit as a whole may fall because of the simultaneous increase in the cost of production connected with the acquisition of more expensive equipment and spare parts. You can draw one conclusion from this simple example: Which of the enterprises are protected is unknown, but on the other hand, it is clear who has lost—all the country's automobile manufacturers.

The introduction of duties on machines and equipment may have even more serious consequences (particularly loud appeals are being made by lobbyists to introduce such duties). A high tariff will be an obstacle to importing state-of-the-art equipment, and Russian manufacturers will be forced to use old and obsolescent machines. This will make all potential exporters uncompetitive, because they will be working with old equipment.

The second rule is that, if raised duties of a protectionist nature are implemented, then this should only be on consumer goods.

Now something about the fiscal role of duties on imports. Despite popular opinion, the overwhelming majority of budget income from this type of tax depends not only on the rate of the tax itself but also on how easy it is to collect. Furthermore, importers seek and often find a possibility of completely avoiding or significantly reducing payments. The idea of re-grading, as old as the whole command system itself, is in operation here: One commodity is imported, but another is declared, and it is not the state treasury that gains, but individual interested parties.

Hopes that higher import tariffs may have a favorable effect on the balance of payments and the rate of exchange are also illusory. In theory, the demand for foreign currency will most likely fall, which may help maintain a stable exchange rate. But stabilizing the exchange rate by reducing imports is using the worst of all the possible methods. First of all, an increase in exports could have a far more significant favorable effect on the exchange rate and its stabilization (the abolition of export quotas in 1994 would make it possible to increase exports by $18 billion). And second, successful macroeconomic stabilization would ensure a stable rate of exchange in the long term. But after all, the exchange rate is not an end in itself. And although the historical experience of countries which have suffered high inflation and hyperinflation shows graphically that the stabilization of the currency rate was always a constituent element of a successful policy of curbing inflation, the experience of summer 1993 testifies that the stability of the ruble against the dollar has not led to a reduction in internal inflation or an improvement in any other macroeconomic indicators.

In conclusion, the thesis about the protection of the Russian consumers' interests. You have to start with the fact that the actual approach is wrong in principle. The rights of the consumer may best be protected by a system of no import duties.

In 1990 the Polish peasants, who are a powerful and well-organized force in the country, demanded that the government maintain high duties on the import of milk and dairy products. More or less in the same way as Russian manufacturers are now complaining that Russia will suffer from lower tariffs, they stated that the unrestricted import of milk into Poland would lead to a significant reduction in agricultural production and increase unemployment. The reformers' government stood firm and refused to compromise. The beginning of open competition against foreign milk was a really difficult time for the Polish farmers, as Polish milk was literally going sour after a few days, whereas European milk could keep for far longer. But in the end they were able to significantly improve the quality and saleability of the product, and they were victorious. West Europe is now being forced to protect itself against Polish dairy expansion. It is obvious

who was the winner in this story—the Polish consumers, who received good-quality milk, and the Polish producers, trading with Europe.

Russia differs from Poland in that here it is not only the peasants who are well organized. Russia has the most effective system in the world for lobbying decisions being adopted by the government. Enterprises relate to industrial ministries, and their interests are protected in the government by the ministers. Only the poor consumer is left unprotected. If the government is led by the industrial ministries and raises the rates on imported output, the Russian consumer will continue to drive automobiles which are eternally lagging behind Western models, work using outdated equipment, and drink sour milk.

Agriculture 'Will Not Survive' Without Aid

PM0701124194 Moscow ROSSIYSKIYE VESTI in Russian 6 Jan 94 p 3

[Article by Vladimir Shcherbak, deputy minister of agriculture: "A Countryside Without Money Means a Country Without Bread. Concerning the Situation in the Agrarian Sector"]

[Text] Agriculture had a difficult time last year. The problems began in the spring, but the farmers still managed to carry out the sowing at the optimum times. We were expecting a good crop, and these expectations were bolstered by actual results at the start of the harvest. But the farmers were unable to buy combines, spare parts, and fuel in good time because economic arrangements had not been settled between the producers and the purchasers of our products (the rural commodity producers did not have their own resources, and credit was exhausted). Then there were the adverse weather conditions in a number of grain regions. All this delayed the harvest work. More than three million hectares were not cleared. The gross grain harvest was 100 million tonnes. That is less than expected.

There were problems with other agricultural crops as well. The sugar beet yield was on a par with past years. The gross harvest was more than 25 million tonnes. But this time the sugar content was somewhat higher. The harvest of oil-seed crops was approximately on a par with 1992. As for fruit and vegetables and potatoes, the situation is as follows: A large part of the harvest (36 million tonnes were harvested) has not been taken up. Those who are supposed to store potatoes have not been taking them.

I believe there are two reasons for this. The first is the lack of circulating capital. (Consumers did not receive sufficient credit resources either). On the other hand, the wholesale depots were privatized during that period and these depots found that they could operate more profitably with commodities other than perishable products. In short, the process was administratively unmanageable, while market relations had not yet taken shape. Unfortunately we did not succeed in privatizing the entire rural infrastructure, as we at the Agriculture Ministry were intending. As a result, no matter what production chain you take, it turns out that none of the rural workers' partners is making a loss. Processing, even with reduced processing volumes, is operating profitably by raising the prices of products. The only loser is the rural commodity producer.

Even the alcohol industry is not taking potatoes any more, since it is more profitable to produce alcohol from grain. As a result many farms have had to store potatoes themselves, often in unsuitable storage facilities. This means that there will be major wastage. Moreover, owing to the lack of demand, some of the potatoes were not harvested at all, primarily in the European part of the country.

Livestock numbers continued to decline. This was due not only to prices, which are dictated by the processing industry. The main problem is that effective consumer demand is low. Some of the products are not being taken up. Even in Moscow Oblast, where milk yields are at their lowest in winter, a great deal of milk stays on the farms. All this is causing rural commodity producers to further reduce livestock numbers. There has been a marked reduction in per capita consumption of dairy and meat products in the current year.

Despite the rather good harvest, many agricultural enterprises are now almost bankrupt. The state, in the shape of "Roskhleboprodukt," which concluded contracts for the purchase of grain, owes more than 700 billion rubles [R] for products that have already been received. Purchases of oil-seed crops have been held up for that reason. Sugar beet has been purchased from the countryside, but the payment was in sugar, not money.

Moreover the state has not paid peasants for meat and dairy products that were supplied for processing and to the trade network. In view of this, we believe that the total debt to the countryside currently stands at more than R2 trillion.

This means that farms are unable to make normal preparations for next year. For example, we were unable to buy mineral fertilizers, seed, and fuel for fall cultivation or storage.

Credit policy has been tightened as well. What they are saying to us today is: Have the money, but at the bank rate, which is more than 200 percent. This means that the prices of our products, which are still not being sold in their entirety, are rising sharply. For these reasons we left around four million hectares of winter crop land unsown. This means that next year's harvest is in jeopardy. We left five million hectares unplowed in the fall—which increases the spring workload by nine million hectares. Even fewer mineral fertilizers were applied than in the previous year. Stocks are not being accumulated.

It is still not clear what kind of arrangement the state will have with commodity producers—whether it will form state food stocks or people in the countryside will be left to face the vagaries of the market alone. Will the state subsidize livestock products or not? All these questions remain unanswered.

Worst of all is that fact that the major livestock-raising complexes and poultry farms, once the most efficient, are

now in a most difficult situation. They used to buy in feed, which became expensive, so production became inefficient. Unless the question of mixed feed compensation (at least 50 percent) is resolved, they are going to have to start slaughtering poultry, but even that would take at least three-four months, and perhaps as many as six. And the remaining birds have to be fed with something over that six-month period.

Even in countries where agriculture is seen as being highly industrialized it is still supported by the state in various ways. Either by direct subsidies or by price regulation. There are countries where the state meets up to 60-70 percent of the cost of agricultural production. It is perfectly clear to us in the agrarian sphere that Russian agriculture will not survive without state support. We appreciate that when the budget is bursting at the seams it is very difficult to contemplate such things. But a way must be sought. Because if the countryside is alive and well, the country and the entire economy will be alive and well.

[The following table is appended to the article]

Production of the Main Agricultural Products in 1993 (in Thousands of Tonnes) (Preliminary Data)

Type of Product	Production Volume	Percentage of 1992
Grain	100000	94
Oil-seed crops	3700	95
Including sunflowers	2900	93
Sugar beet	25400	99
Flax fiber	65	83
Potatoes	34000	89
Vegetables	9000	90
Fruit and berries	2000	71
Milk	45400	96
Eggs (millions)	40000	93
Wool (tonnes)	153000	86

Military Issues

President's Defense Advisor Comments on Various Issues

PM0601165394 Moscow KRASNAYA ZVEZDA in Russian 5 Jan 94 p 2

[Interview with Dmitriy Volkogonov, advisor to the Russian president on questions of defense, by Yuriy Rubtsov; place and date not given: "Armed Forces Are a State Institution"]

[Text] [Rubtsov] Dmitriy Antonovich, the immediate reason for our conversation was the fact that a number of organs of the mass media put out information on a fundamental reorganization of our defense department which is allegedly in preparation. According to these reports, the president "should" assume direct control over the Armed Forces.... Does this information have any basis in fact?

[Volkogonov] I was informed that the other day a foreign radio station had likewise already chimed in with the chorus of Russian publications. Journalists are phoning in, including foreigners. They are all asking the same question: Is it true that in the next few days the Defense Ministry will be fundamentally reorganized to become a civilian department, with the General Staff left to deal with the specifically military issues?

I would like to state definitely that all this is no more than a rumor. No official decisions on this matter are known to me personally. What is more, I think that there won't be any.

I think that in principle—true, this is only my own personal view—in three to four years, or five, or maybe by the turn of the century, the ministry probably will go civilian. As in all civilized societies it will be made up of civilians, of various specialists who will deal with political, technical, financial, economic, and international questions and hand over both operational and combat issues to a body like the Joint Chiefs of Staff. But I think that Russia will preserve its indigenous tradition, continuing to call this body the General Staff.

Such a division will be of benefit. But it will only become possible when our society becomes very stable and governable. It is not right to resort to this kind of reorganization at present, indeed it is simply dangerous. This is something for the future.

I would recommend that when all the necessary prerequisites are in place this should be done gradually, step by step, by filling the Defense Ministry with civilian specialists and handing over particular functions to them. Maybe we should introduce an additional post, that of civilian deputy minister with responsibility for, say, finances or technical, engineering or medical questions. Other such steps should be carried out, but only gradually. Our history shows us that extreme discontinuity always leads only to confusion, chaos, and to the people's losing faith.

So I think that the time is not yet right for this major reorganization of the defense department about which people are writing and speaking. Society and the Army are not ready for it yet. I repeat, this is something for the future.

One other thing you have to bear in mind is this. We are often blamed because the military reforms are proceeding in a feeble and slow manner, that they are not really visible, so people claim. You can make a quick sketch of any diagram with "boxes" representing components of a military system, but this is not enough for a reform. The crux of the matter is that the main motive force in reforming the Army is financial, economic, material. The person who has control over force—and this is only possible when, unlike today, the country has a stable economy—will be able to carry out a real reform. You see, it does not in any way come down to combining some

organs and splitting up others and transferring cadres here or there, as even some military men think. What kind of a reform is that! You will only get a real reform when, and I repeat, society has a suitable material and financial impetus.

[Rubtsov] As an advisor to Boris Nikolayevich Yeltsin, you clearly know, do you not, what the president's evaluation of the Defense Ministry is?

[Volkogonov] The Ministry is today in a position to discharge its obligations normally, and is actually doing so—this is the president's evaluation in a nutshell. The Army played an important role in averting a civil war. Although the Army does, of course, have many problems which should be resolved. Here gratifying changes can be noted....

[Rubtsov] What do you have in mind?

[Volkogonov] Society has become noticeably more governable since the well-known events in October. In the last few days I have spoken to important statesmen, in particular to Yegor Timurovich Gaydar, and they pick this out as a clear trend. The vertical structure of executive power has become noticeably strengthened, and the government's role has increased, as have those of the president and the executive structures in the provinces. In time all this will, I think, also be reflected in the Army in many areas starting with conscription and ending with material security. Such changes will in turn stimulate the development of the military reform.

[Rubtsov] Dmitriy Antonovich, how from this viewpoint do you regard the problem of "the Army and politics."

[Volkogonov] I already had the occasion to express my opinion on this question prior to the recent elections. Now that it is known that the election results in a number of regions, including several military garrisons, turned out to be—not to beat about the bush—discouraging, this topic for discussion seems particularly topical.

I never could agree that the Army, as one of the state's most important instruments, can stand outside politics. Yes, it should stand outside party politics, but it cannot stand outside state politics. It should maintain the same course as the government and president/supreme commander in chief are steering, a course of security, an official course promoting military organizational development, reform, and so on.

[Rubtsov] If this matter were completely cleared up, it would certainly be easier for the military themselves....

[Volkogonov] It would also, of course, be easier for the commanders and their assistants with responsibility for education work with personnel. Even so, the fear of breaking some rule, of overstepping the mark led to people being abandoned to their fates from a spiritual viewpoint. As a result quite a few servicemen cast their votes in the election on the basis of their mood at the time. It would seem that it is already clear: The idea that "the Army stands outside politics" was understood in a one-sided, legalistic manner; however, several leaders continue to cling onto it.

In this connection, I would like to express my own ideas about the role of the comparatively new organs working with personnel....

[Rubtsov] Incidentally, the editorial office is receiving many questions on this....

[Volkogonov] Previously two organs, two institutions characterized our system: the security organs and commissars. In the days of Stalin both organs tarnished their own reputations. I know from my own experience that the commissars stuck to those ideological aims which drove us up a historical blind alley. In many respects they are guilty of causing the present situation in society. I do not absolve myself of personal responsibility in this matter.

After August 1991 the absolutely correct decision was made that old-style ideological indoctrination was no longer thinkable in the Army. But at the same time the conclusion was reached at the Defense Ministry—and this has been reflected in the president's and government's decisions—that some organs are nevertheless necessary to specially take on the education of personnel. I am convinced that the fact that quite a few former political workers are employed in these organs should not cast doubt on them.

It would, in my view, be all the more wrong to put these weak—at the moment "feeble"—organs dealing with personnel "under the knife" in the light of the results of an "unsuccessful" poll rating.

We do not have an equivalent for the educational organs, we are unprepared to do without them, and we have neither the practice nor the experience of doing so. Some people say that the Russian Army did without such organs and no harm was done. But after all, how many decades did it take to make the system which we had in Russia when the 1917 October Revolution broke out, to get the necessary experience and practical work under our belts. And what is happening now? We will just destroy, eliminate what we have, and this will only lead to a future weakening of our spiritual potential. We will only achieve one thing—we will radically cut down our degree of organizational influence on the educational processes in the Army.

A few people are attempting to blame only the old political workers for what has happened. I must say that any attempt to sow disharmony among officers is not only unconstructive but also dangerous. There were all different kinds of commanders and political workers. It is not right to lump them all together. But it is necessary to sort out each individual case. If a man fails to do his work properly, fails to "make out," he should be discharged or found a position commensurate with his knowledge and experience, or he should be taught, educated.

In my view the personnel organs should, proceeding from state policy, undertake the education of servicemen in the

spirit of Russian history, Russian statehood, and the Russian Armed Forces. They should pay a great deal of attention to morale problems: military ethics and military valor. They simply must be at the heart of the work to inculcate the best qualities of the Russian soldier in our personnel. I consider that it is precisely these organs which should most of all engage in patriotic education. We have been called on to revive democratic patriotism, a patriotism which is not nationalistic or chauvinistic but democratic, taking into account not only our own interests but those of other peoples as well.

These organs should, of course, explain state policy, the supreme commander in chief's policy, and government policy. With regard to both foreign and domestic affairs, for example what kinds of reforms are in progress here.

I think that these organs, especially at the highest level, should take particular care of the subunits involved in the technology of propaganda. Without this we are deprived of a modern means of fighting for people's consciences.

These organs will in one form or another be necessary to promote the new Russian Constitution. You see, it is the Constitution itself which should, in my view, be the basis of the moral and legal education of the Russian Army's personnel today.

What about the cultural organs? We have so many officers' messes, clubs, libraries, and ensembles; if we let all this go there will be nobody involved professionally in this area, and everything will collapse. The claims you hear that only the commanders will be equal to all this are, in my view, superficial.

It is just as important to help the Russian Federation Armed Forces Humanities Academy to determine more quickly its role in the creation of the necessary psychological climate in the Army and Navy, and in arming the relevant workers with the most up-to-date information and methods. Managing the spiritual life of people in uniform is a complex task.

There must be no vacuum in the area of public consciousness. Gaps which appear will be filled immediately with anything at all—all sorts of national-socialist prejudices and chauvinist, pseudo-patriotic views. I think it unnecessary to take a long time to explain what the consequences could be.

The Army is a state institution, and all the transformations going on in it presuppose a wise, balanced approach and circumspection.

Arms Makers Plan Shift to Fusion Reactor Project

PM0501162594 Moscow Russian Television Network in Russian 1100 GMT 30 Dec 93

[By D. Kokko and V. Gonchar from St. Petersburg's "Severnyy Zavod" Production Association; from the "Vesti" newscast]

[Text] [Kokko over video of missiles] A couple of years ago TV crews could not even dream of gaining access to this enterprise. For many years the "Severnyy Zavod" Production Association produced nothing but missiles for air defense systems. Nowadays the need for conversion is felt even here, although views differ on how to tackle the problems which have arisen.

According to the plant's director, owing to shortsighted government policy Russia currently has no real chance of entering the world market in defense weapon systems. Production is declining, but we simply must preserve our high-tech facilities. This gave birth to the project to build a spherical Tokamak. Previously this argon chamber was used to make wings for missiles. Now it is used to make titanium ice-axes for Norway.

However, recently a project was drawn up in cooperation with physicists from the Ioffe Institute to build a spherical Tokamak for research in the field of thermonuclear reactions. Theoretical studies have already been carried out and a 1:10-scale model has been built. If it proves possible to translate the project to build a spherical Tokamak into reality, Russia will undoubtedly take up a leading position in the world in the sphere of thermonuclear fusion.

Defense Ministry Stops Financing Military Courts

MK0601130094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jan 94 p 2

[Unattributed report in the "In Brief" column]

[Text] Moscow—Under an order by Colonel General Vasiliy Vorobyev, chief of the Main Military Budget and Finance Directorate of the Russian Federation Defense Ministry, as of 1 January 1994 the allocation of funds in Russian or foreign currency from the Russian Federation Defense Ministry budget for the payment of allowances, salaries, material values, and communal and other services to Russian Federation military courts will be terminated. This order was issued "in line with the 24 December 1993 letter by the Russian Federation Finance Ministry" and in execution of the Russian Federation Government decree on approving of the Statute on the Russian Federation Ministry of Justice. According to this statute, the Justice Ministry is tasked with ensuring the requisite conditions for the functioning of general jurisdiction and military courts. As has become known, however, this decision has come as a total surprise for the ministry's leadership because the statute says nothing about financing military courts.

Unique Features of Sukhoy-34 Bomber Detailed

PM0701112594 Moscow IZVESTIYA in Russian 6 Jan 94 First Edition pp 1-2

[Viktor Belikov and Viktor Litovkin report: "My Motherland Is Vast, But Not for the Su-34"]

[Text] IZVESTIYA has secured the exclusive right to be the first to talk in the Russian press about the new Su-34 front-line bomber. Some people have already nicknamed this mysterious and top-secret aircraft the "Russian miracle."

"No, it is not a 'miracle,'" Mikhail Simonov, general designer for the Sukhoy Experimental Design Bureau and project leader, told us, "but the Su-34 series-produced front-line bomber, created in our firm. Its chief designer in the design bureau is Rollan Martirosov, and in the plant—Oleg Sobolev."

The Su-34 is designed to repulse an attack on Russian territory and is to replace in the combat ranks the Su-24 and Su-24M front-line bombers which have been flying for almost 20 years and to resolve certain other tasks. The fourth-generation bomber has all the potential for doing this.

It has a practically unlimited flight range. Without refueling in the air—it is, nonetheless, equipped with such a system—the Su-34 can fly for 4,000 km without wing tanks! It can easily be transferred in a matter of hours from one part of the country to another where a threatening situation might suddenly arise on the border.

Usually, Simonov said, it takes a combat aircraft a whole week to fly from the Far East to Tajikistan, for example. Sometimes an intermediate airfield will close owing to bad weather, then fuel will not be delivered in time, then people will forget to feed the airmen or will not give them an opportunity to rest properly. The new bomber is not affected either by weather conditions or by the time of day or night.

Despite any meteorological conditions, its fundamentally new onboard digital computer and other radioelectronic equipment, which, incidentally, is duplicated many times over, will unerringly bring the aircraft to the prescribed region with an accuracy to within one meter. The self-guiding and correcting missile and bomb weapons—the stocks suffice to fulfill any tasks—will hit even a well defended point target. At a range from zero to 250 km.

But the main "charm" of the new bomber is its cockpit. It is as spacious as the flightdeck of a Tu-134 passenger airliner, and equipped with air conditioning. The pilot and the navigator sit not one behind the other, in tandem, as is usual in any two-seater, but side by side. They can get up from their seats, stretch their legs, lie down in the aisle between the seats, do physical exercises, and then pour borscht from a vacuum flask or heat it and sit down to dine. There is even a toilet.

Everything has been done on the Su-34, Simonov said, to ensure that even after a flight of 1,000 km the airmen are not tired and are able to work above the battlefield as though they had entered the bomber's cockpit a few minutes previously.

The new machine is equipped with an active flight safety system or, as it is sometimes called, an artificial intelligence system. It enables the plane to execute aerobatic figures at the maximum ground speed (equal to 1,400 km per hour) and at the lowest altitudes, to unerringly follow the contours of the terrain, to hug [ogibat] the ground, and also to easily overcome ground forces' air defense weapons. The bomber is as hard to detect as a cruise missile, Simonov said.

The aircraft is "held" at a certain altitude from the ground not only by the digital computer and the active safety system—a forward horizontal fin assembly is fixed to its fuselage (it can be seen clearly on the diagram beneath the large tapered wings—author). This parries and suppresses the bumpy air which arises with any high-speed aircraft at the lowest altitudes and creates additional potential for the pilot and navigator to carry out efficient precision bombing, to maneuver under enemy fire, to suppress enemy fire weapons, and to guard themselves against an enemy missile or a rock face suddenly rising up in their path.

Moreover, an armored cockpit has been used on the Su-34 for the first time in the world, with the possible exception of the Su-25 ground-attack aircraft. Its 17mm thickness reliably protects the airmen even against chance hits by bullets, shells, or shrapnel.

Mikhail Petrovich Simonov spared no words in describing the new creation of his design bureau. Whereas the Su-24 was created, he said, in response to the U.S. F-111 strike bomber, willy-nilly resembled it in some of its external features, and conveyed a kind of pro-Western image, the Su-34 is unlike anything else. It has its own appearance, its own build, its own boldness, and its own purely Russian unpredictability. It is our own Russian aircraft, which threatens no one but has been created for itself and for our own satisfaction.

It really would be possible to speak about the new aircraft at greater length. True, we cannot present everything here to the general public. The majority of the bomber's performance characteristics are classified, and our description of it is being published only after it has been photographed above the deck of the aircraft carrier Admiral Flota Nikolay Kuznetsov and photographs of it have appeared in the foreign press with the puzzling caption: "What is this? Is Russia deceiving us with regard to its weakness?"

Incidentally, a recent issue of the British JANE'S DEFENCE WEEKLY carried an article devoted to the Sukhoy Experimental Design Bureau firm and its aircraft. It was published a few days before information on tests of the Su-34.

"If the Su-35 (a heavy fighter which flew splendidly at last summer's Dubayy Air Show—author) appears at the Farnborough Air Show, as Sukhoy is promising," the magazine writes, "the greatest concern will be aroused, so commentators believe, by the aspect that it will have taken the West unawares. Their very best human and technical intelligence resources bear no comparison with Russian craftiness. This at a time when everyone reckoned that the former Soviet Union had been brought to its knees. If this is so, Russia may have still more surprises up its sleeve."

Servicemen's Pay Raise Triggers Pension Revaluation

PM0601184194 Moscow KRASNAYA ZVEZDA in Russian 5 Jan 94 p 1

[Petr Altunin report under the "Yesterday" rubric: "Military Pensions Being Recalculated"]

[Text] As has already been reported in KRASNAYA ZVEZDA of 31 December 1993, basic pay and pay according to rank is being increased by a factor of 1.9 for servicemen in the Russian Armed Forces from 1 January 1994 in accordance with a Russian Federation Government decree.

The Ministry of Defense Main Directorate for the Military Budget and Finance announced: The Russian Federation Law On the Provision of Pensions to Servicemen (Article 49) and the decree of the Russian Federation Council of Ministers/Government of 22 September 1993, No.941 (Article 14) says: If the monetary allowance for servicemen increases, pensions which have been previously fixed for discharged servicemen and members of their families are also subject to review from the same date. The military commissariats have already set about this work.

Many people are interested in the current minimum wage which, as we know, is taken into consideration when reviewing military pensions. It stands today at 14,620 rubles.

Regional Affairs

'Repeat Elections' To Be Held in Some Regions

LD0601232894 Moscow INTERFAX in English 1726 GMT 6 Jan 94

[Text] The Central Election Commission has announced the date of elections to the Federal Assembly in Russia's regions where they were not held or were boycotted.

A representative of the Commission told INTERFAX that on March 13 elections would be held in Tatarstan (the Volga region). On the same day elections to the State Duma will be held in some of this republic's one-mandate electoral districts, including the Naberezhniye Chelny, Almetyevsk, Nizhnekamsk, and Privolzhsk districts.

Pending repeat elections, candidates will be advanced and an election campaign will be held.

On March 26, elections to the Federation Council will take place in the Chelyabinsk two-mandate electoral district, and on March 6 in the Yamalo-Nenets electoral district.

The Central Election Commission reports that the elections will be organized by the local election commissions consisting of the same members and held in the same polling stations on the basis of the adjusted lists of electors.

Autonomies Urged To Align With Russia's Fundamental Law

LD0601161994 Moscow INTERFAX in English 1345 GMT 6 Jan 94

[Text] Experts in the local administration department of the Russian president called on Boris Yeltsin to set up a commission which would bring the constitutions of republics incorporated in Russia in line with the new Fundamental Law of the Russian Federation, the president's chief of staff Nikolay Medvedev told INTERFAX.

In his words, the experts found that numerous provisions of the recently adopted constitutions of Tatarstan, Bashkortostan and Tuva were inconsistent with Russia's Constitution. Twelve other republics, he said, still have old constitutions which are also inconsistent with the new Constitution of the Russian Federation. In particular, by its constitution Mordovia is a Soviet Socialist Republic.

Medvedev placed special emphasis on the fact that five newly established republics, Adygey, Altai, Ingushetia, Karachayevo-Cherkessia and Khakasia, do not have their own constitutions. The presidential chief of staff emphasized that, according to Article 72 of the Russian Constitution, the Russian Federation and its constituent parts would establish general principles of organizing systems of state authority and local government bodies. In numerous republics elections to the republican and local legislatures will be held shortly. In this light, the constitutions of the republics must as soon as possible be brought in line with the Fundamental Law of the Russian Federation.

Experts Suggest Localities Adjust Constitutions

LD0601234494 Moscow Russian Television Network in Russian 1700 GMT 6 Jan 94

[From the "Vesti" newscast]

[Text] Experts from the Council of Heads of Administrations attached to the Russian president have suggested to Boris Yeltsin that he should set up commissions to bring the constitutions of the republics within Russia in line with the constitution of the Russian Federation.

Analysis carried out recently has revealed that the constitutions adopted in Tatarstan, Bashkortastan, and Tyva not long ago contradict the Russian Constitution in a number of norms.

Yeltsin Appoints Sverdlovsk Region Administration Head

LD0601232994 Moscow INTERFAX in English 1726 GMT 6 Jan 94

[Text] According to the decree of President Yeltsin issued on Thursday, Aleksey Strakhov has been appointed head of the administration in the Sverdlovsk region.

The president released Eduard Rossel from this post in late 1993 due to his exceeding his authority.

Moscow Permits 11 Jan Picket of Duma

LD0601215794 Moscow Mayak Radio Network in Russian 1630 GMT 6 Jan 94

[Text] Ima-press reports that the Moscow government is to allow patriots to picket the State Duma on 11 January. However, the number of participants has been reduced from the 10,000 indicated in the original application to 100.

Groznyy Accuses Russia of Reluctance To Quit Gendarme Role

LD0601172494 Moscow INTERFAX in English 1427 GMT 6 Jan 94

[Text] The Chechen Republic has described the proposal by the Central Election Commission that it take part in the parliamentary elections on March 13 as an ultimatum which will aggravate confrontation.

INTERFAX correspondents report that the official Groznyy accused Russia of unwillingness to quit the gendarme approach, as well as the policy of threats and intimidation.

The Chechen Republic believes that the date of March 13 is nothing else than a new deadline for the existence of the Chechen Republic to be possibly followed by punishment of the "obstinate".

Kabardino-Balkar President Insists No Dictatorship Exists

LD0601221694

[Editorial Report] Moscow Radio Rossii Network in Russian at 1013 GMT on 6 January broadcasts its "Documentary on the Air" program. During an 11-minute report, correspondent Tatiana Ulyanova gives brief details about the Republic of Kabardino-Balkar and introduces its president, Valeriy Mukhamedovich Kokov, who is interviewed by the program's presenter.

Asked whether he has established a hard-line dictatorship in the republic, Kokov replies: "I would not like to say that a hard-line dictatorship has been established on the territory of Kabardino-Balkar, but I can assert something else. We are in favor of discipline and order. It is for that reason that we take every measure to be in line with the both the political and economic changes that are occurring in the world, in good time and without excesses."

The relative calm in the republic is explained by the ways and wisdom of the republic's peoples. "They demonstrated this," says Kokov, "in the elections that took place recently. They assessed the situation in a fairly wise manner and, in spite of all the efforts of the political leaders to divide society into a minimum of two camps, the people of Kabardino-Balkar gave two-thirds of the votes in favor of stopping the further disintegration of our fatherland, for law and order, that is, in support of the constitution. What is more, the people of Kabardino-Balkar elected a new parliament in accordance with the new constitution of the Russian Federation."

Kokov then explains that he is giving this interview in the interval in the session. Kokov stresses that Kabardino-Balkar has exerted every effort to achieve a settlement in the Ossetian-Ingush conflict, and is opposed to revenge actions in such conflicts.

Orenburg Region To Create Government

LD0601162494 Moscow INTERFAX in English 1345 GMT 6 Jan 94

[Text] In line with the recent decision by the head of the local administration Vladimir Yelagin, the Orenburg Region will have its own government. The resolution on the issue says that the Cabinet is to be formed proceeding from provisions of Yeltsin's decrees of October 22 and December 22, 1993 on measures to improve the activities of local executive bodies of power.

The staff of the administration head, which will exist in parallel with the local government, is to be cut by 20 percent.

The similar two-level executive structure was first created in 1992 by the former governor of the Sverdlovsk Region Eduard Rossel, who was dismissed by Yeltsin's decree. Now Rossel is the president of the Association of Economic Interaction of the Ural Region. He is also elected deputy to the new Russian Parliament.

Emergency Anti-Crime Measures Introduced in Makhachkala

PM0601130194 Moscow ROSSIYSKIYE VESTI in Russian 6 Jan 94 p 2

[Report by Mikhail Dolmatov: "Emergency Measures Introduced To Combat Crime"]

[Text] Makhachkala—Last December the criminal statistics reached an alarming record: Over the past three years there had been 57 political murders in Dagestan, which is the highest indicator in Russia. It is not ruled out that in connection with the forthcoming parliamentary elections in a few months' time the wave of terror in the republic could rise even higher—some political adversaries could settle accounts with the aid of weapons....

Street hooliganism and thefts have become everyday occurrences in the life of Makhachkala and none of the city's inhabitants has felt safe. That is why the republic's leadership has deemed it necessary to take emergency measures to combat crime. From the first days of the New Year militia patrols have received the right to check the documents of all citizens and to search all vehicles. Those who have come to Makhachkala for no specific purpose can be expelled from the city within 24 hours. The special regime has been introduced for six months, and time will tell whether it is extended.

According to Magomed Magomedov, the head of the city administration, and Gadzhimagomed Gadzhimagomedov, chief of the internal affairs main administration, the militia has embarked on the special regime program in a state of full combat readiness. Reinforced detachments of internal affairs main administration staffers are serving at

stations, markets, hotels, and airports. They have already made a "haul": Several owners of unregistered weapons have been arrested.

Understandably, the measures which have been adopted have been greeted with mixed feelings by the city's inhabitants: It is unpleasant for anyone to be subjected to total checks and to get involved in roundups, on the other hand nor could they tolerate the criminal anarchy. Indeed, the experience of the emergency situation in Moscow has shown that it is usually only the small "minnows" who get caught in the nets of such street checks, the big "sharks" are seldom caught without painstaking searching and investigation work.

However that may be, it is not out of the question that the Makhachkala experiment will be a positive or negative example to other cities, where crime is also rampant. In January it will already be clear whether it has given a good account of itself.

International Affairs

Kravchuk 'Unlikely' To Meet With Clinton in Moscow

MK0601113094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jan 94 p 1

[Mikhail Karpov report: "Christmas-Tide Fortune-Telling. Kiev Clearly Wants To Join the List of European Capitals Waiting for Clinton"]

[Excerpt] [passage omitted] In the Russian capital, a number of agreements, including documents on the nonproliferation of nuclear arms, are scheduled to be signed on 14 January. Whether it will be the presidents of three or two states who will affix their signatures to the documents, however, is anybody's guess. Still, according to THE WASHINGTON POST, "the United States, Russia, and Ukraine have stepped up talks on dismantling Ukraine's nuclear potential in the hope of signing a corresponding agreement in Moscow next week." Intensive negotiations are under way in the U.S. capital attended, aside from Russian Deputy Foreign Minister Georgiy Mamedov, by his Ukrainian counterpart, Valeriy Shmarov.

Still, it seems unlikely that Leonid Kravchuk will arrive in Moscow. Giving up nuclear missiles together with going hat in hand to big brother would have become too good a trump card in the hands of his domestic opponents, who would not miss an opportunity to accuse the Ukrainian president of a lack of "genuinely national thinking." Nonetheless, squandering a chance to give himself a 60th birthday present of meeting with the U.S. President would be unforgivable from a purely human point of view. This is why reports that Kravchuk invited Clinton to pay a visit to Kiev—although, to all appearances, the American side seems to be thinking that a trip to the U.S. capital was quite enough for the Ukrainian president—are hardly credible.

It is well known that by giving up Belarus' nuclear potential, Shushkevich earned warm thanks from the U.S. leader, consequently Minsk has firmly reserved a slot on the itinerary of Clinton's European tour. At the same time, being the CIS' head office, it may just as well offer to play host to a summit of the U.S. and Ukrainian Presidents. All the more so, because in this event the meeting will be devoid of the "Moskal" [derogatory Ukrainian word for "Russian"] accent. [passage omitted]

German Experts To Rebuild Rivne Nuclear Power Plant

WS0601160894 Kiev KIEVSKIYE VEDOMOSTI in Russian 5 Jan 94 p 6

[Report by Zhozef Shapoval: "Improvement of Nuclear Power Plants' Security Will Be Handled Jointly"]

[Text] Elements of the market economy are persistently penetrating the sphere of nuclear power engineering, which has been inaccessible so far. Recently in Ukraine, the first Ukrainian-German joint venture UNA has been established in this area. Among its founders were the Rivne nuclear power plant, the Kiev Institute Enerhoproekt, and the German joint stock company KAB.

German nuclear power engineers have great experience in constructing nuclear power stations and improving their security. The new joint venture company will reinforce hermetic containers of the first and second power units at the Rivne nuclear power plant. Experts have recommended installation of a pass for polluted metal in a special smelting furnace. Also preliminary inspection of containers has already been conducted.

Kiev's Debt to Kazakhstan Due by 1999

LD0601170494 Kiev UNIAN in Ukrainian 1340 GMT 6 Jan 94

[Text] Kiev—A UNIAN correspondent learned from reliable sources on 6 January that an agreement determining Ukraine's debt to Kazakhstan and transferring this debt to the state account was made ready for Kazakh President Nursultan Nazarbayev's arrival in Ukraine, which according to preliminary information is planned for mid-January. Ukraine will have to have 1.2 million U.S. dollars repaid by 1999. The Ukrainian side has not yet defined its position on determining either the debt of Kazakhstan to Ukraine or those of Russia and other CIS countries, although there have already been cases of debts made over to be repaid by the state, in particular in mutual relations with Russia.

National Affairs

Kravchuk Proposes Referendum on Law on Authority

MK0601132094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jan 94 p 3

[Vitaliy Portnikov report under the "Ukraine" rubric: "Republic May Also Have Referendum, Not Only Elections. Leonid Kravchuk's New Year's Present"]

[Text] In his New Year address to Ukrainian citizens, Leonid Kravchuk unexpectedly broached the fairly unexpected idea of holding a referendum on the law on authority. The president explained that the law was designed to put an end to misunderstanding with regard to the separation of powers in Ukraine. Leonid Kravchuk's initiative appears to be a logical continuation of the emerging confrontation between the president and the Ukrainian Supreme Council on the eve of the upcoming parliamentary, and later presidential, elections. While the parliamentarians have already put up with the ineluctability of having to run for reelection, and preparations for the parliamentary elections are in full swing, the Ukrainian president does not appear too enthusiastic about going through a similar process himself. The "party of authority" in Ukraine is unwilling to hold early presidential elections, either, because there is no plausible, serious alternative to Leonid Kravchuk just the same. Given the republic's difficult economic and political situation, however, it is far

from certain that Kravchuk is set to achieve an easy victory at the early presidential elections.

Therefore, the ruling elite would like to insure itself against possible surprises, but this requires unconventional moves that will be somewhat reminiscent of the way events evolved in Russia: the vote on a new constitution was also proclaimed "an expression of confidence in Boris Yeltsin," hence the question of early presidential elections in Russia fell through by itself. The Ukrainian authorities, however, cannot submit a new constitution to a referendum. This is why they came up with the law on authority, which will boost presidential powers and may turn Ukraine into a presidential republic without making amendments to the country's fundamental law beforehand. Should the referendum be a success, one may interpret it as an expression of citizens' confidence in President Kravchuk and, hence, cancel the early presidential elections after the new deputy corps is already in place.

It is not yet clear how the president is going to hold the referendum. Or who will draw up the law on authority: the current parliament or a structure specially appointed for this purpose by the Ukrainian president, and whether the chiefs of the Ukrainian Supreme Council under its chairman, Ivan Plyushch, will be involved in the preparation of the new referendum. If the Supreme Council accepts President Kravchuk's initiative and calls the referendum on the law on authority simultaneously with parliamentary elections, it will, of course, have to draw up the law on its own, and then presidential powers will not be as sweeping as Leonid Kravchuk would wish. Even in this case, however, the adoption of the law on authority would automatically mean an expression of confidence in the president. According to some well-informed sources close to the Ukrainian Supreme Council's chiefs, Ivan Plyushch is unlikely to be willing to strike a deal with Leonid Kravchuk on the referendum, because the Ukrainian parliament speaker, as many other politicians in the republic, would probably like to seize the chance of early presidential elections simply to try his luck or to remind the public of himself as Leonid Kravchuk's possible successor, if not to win.

Resolution on Counterespionage Services Comes Into Effect

WS0601180794 Kiev KIEVSKIYE VEDOMOSTI in Russian 4 Jan 94 p 3

[Report by Gennadiy Klyuchikov: "Fight Against Spies Remains a Current Issue in a Democracy as Well"]

[Text] The resolution "On Military Counterespionage Service of the Security Service of Ukraine" has come into effect, by virtue of Defense Minister Vitaliy Radetskyy's order. The Security Service has been entrusted with the counterespionage protection of the Armed Forces and other military units. The document specifies that the military counterespionage services shall effectively address defense problems, disclose and prevent espionage and sabotage activities in military units, as well as work out and implement measures to protect state secrets.

This way, the well-known special units, which were first introduced in the Russian Army on the eve of World War I, have outlived the Soviet Army, and have been transplanted into the reinstated military units of Ukraine. No matter where you go—the fight against spies is always a current issue of any authorities.

Russia, Ukraine Urged To Guarantee Crimea's Security

LD0601165494 Moscow INTERFAX in English 1427 GMT 6 Jan 94

[Text] Ivan Yermakov, head of the Sevastopol administration who is running for Crimean presidency, thinks that Russia and Ukraine must guarantee the Crimea's security and territorial integrity.

"The Crimea needs a body, wielding real power, that would handle all military issues, a Security Council chaired by the Crimean president elected by popular vote," Yermakov told INTERFAX.

In his words, the stationing of new and movement of existing military units in the Crimea must be cleared with the Security Council.

Yermakov said that he wanted the Black Sea Fleet to be controlled by Russia, but it was up to the presidents of Russia and Ukraine to decide who "must show firmness, political will and not take heed of the noise made by various nationalistic groups."

He believes that the fleet must become a major element in the security system of the Crimea and CIS member states.

Yermakov said that Sevastopol, an integral part of the Crimean Republic, has been and will remain the main base of the Black Sea Fleet.

He called for a "civilized" solution of the Crimean problem and emphasized that "changing the borders at this stage may result in a war."

"Conditions, historic and political, must be right, but everybody knows now that economically the Crimea is linked with the Russian industry," the presidential candidate said.

He believes that Ukraine needs "to mature before it is prepared to give the Crimean back to Russia." Furthermore, Ukraine must become a full member of the CIS economic union.

"If Ukraine does not become a member of that union, I think that the Crimea can enter it on its own," Yermakov said.

The presidential elections will be held in the Crimea on January 16.

Crimean Communists Want Kravchuk, Yeltsin Tried

LD0601202494 Kiev UNIAN in Ukrainian 2030 GMT 5 Jan 94

[Text] Sevastopol—Leonid Hrach, a candidate for the post of president of the Crimea from the Communist Party of the Crimea, met electors from the town of Sevastopol on 5 January. He subjected his rivals to harsh criticism, in particular Mykola Bahrov, speaker of the Crimean parliament, and also all former communists from the present power apparatus—Leonid Kravchuk and Boris Yeltsin. In the opinion of Leonid Hrach, they should be tried in accordance with Soviet laws for the collapse of the USSR. The leader of the Communist Party of the Crimea warned those present of the threat from Muslim countries, especially Turkey. "The aim of my policies, he noted, is to restore the USSR. For this the Crimea should enter the CIS independently—this is the path of salvation for the peninsula. Its economic problems can only be resolved by getting large credits from Russia."

Leonid Hrach called on Communists to be vigilant as, in his opinion, the manipulation of votes is possible at the elections. Replying to questions from the hall, he was not able to explain what he had been engaged in during the last two years and why the Communist Party had lost prestige. Observers formed the opinion that in the event of the victory of Leonid Hrach at the elections, then a dictatorship of the proletariat may possibly not come, but a dictatorship of the Communist Party will be guaranteed.

Crimean Military Plant Completes 'Structural Reorganization'

PM0601124994 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 30 Dec 93

[By Vladimir Plotnikov and Vadim Telichev from Crimea; from the "Novosti" newscast]

[Text] [Plotnikov] In the new year there are more thorough structural changes in store for industry in Ukraine and particularly in Crimea. This is the case, for example, at the former "Foton" production association in Simferopol, which used to provide services for the defense sector but which has now become a commercial science and production firm and is rapidly increasing its output of nontraditional goods. Those goods include microwave ovens, large-screen TV sets, 55-channel satellite TV receivers, and antennae. They are cheaper than their foreign equivalents and can be bought not for dollars but for Ukrainian coupons. Structural reorganization is a means of salvation for many other enterprises in conditions when there are no raw materials, demand for traditional goods has fallen, and the energy crisis has become extremely acute. The Crimean Supreme Soviet decree on an open economy regime in the peninsula offers good scope for this kind of reorganization. This decree will encourage the participation of foreign partners and investors in the development of a modern production industry.

Belarus

Shushkevich Comments on Upcoming Meetings With Yeltsin, Clinton

LD0601153494 Moscow ITAR-TASS World Service in Russian 1420 GMT 6 Jan 94

[By BELINFORM correspondent Vladimir Glod for TASS]

[Text] Minsk, 6 Jan—In an exclusive interview with a BELINFORM correspondent, Belarus Supreme Soviet Chairman Stanislaw Shushkevich confirmed the report distributed by TASS channels about his forthcoming meeting with Russian President Boris Yeltsin.

The speaker of the Belarusian parliament said the meeting will take place next week. During the meeting, the two sides will adjust their positions before the forthcoming arrival in Moscow and Minsk of U.S. President Bill Clinton and will also discuss a wide range of problems of Belarusian-Russian relations. Stanislaw Shushkevich said that at the meeting with Boris Yeltsin "I will put forward not my own personal point of view but the united opinion of the members of the Presidium of the Supreme Soviet, who have thoroughly studied the proposals put forward by the government and the National Bank of Belarus."

Stanislaw Shushkevich said the statement of the heads of governments of Belarus and Russia, which was signed yesterday but which has not yet been supplemented by the signing of documents specifying the mechanism for its implementation, is more like a declaration of intent.

Concerning Bill Clinton's forthcoming visit to Minsk, the head of the Belarusian parliament noted that the talks between the Belarusian and U.S. sides "will be conceptual." "If we resolve conceptually such problems as disarmament, conversion, and the monetary question, then the subsequent signing of the relevant documents will be essentially a technical task."

Stanislaw Shushkevich said he was very surprised to read in the media that Belarusian government head Vyachaslaw Kebich said that he "expects Belarus to be able to join NATO after Russia joins." The speaker explained that all of Belarus's most important documents specify its policy of neutrality and of not adhering to any blocs. "We have a totally different foreign policy doctrine centered on neutrality," Stanislaw Shushkevich said.

Looks Forward To Clinton Visit

LD0601171794 Minsk Belarusian Foreign Ministry Department of Information in Russian 1513 GMT 6 Jan 94

[Excerpt] S. Shushkevich has described the upcoming official visit by U.S. President Bill Clinton as an important and positive event for Belarus. As S. Shushkevich said in an interview with the ZVYAZDA newspaper correspondent, one of the most important tasks at the Belarus-U.S. talks is to clarify positions on the basic strategic issues of our policy and, in particular, issues concerning the security of Belarus. "When Belarus implements its constitutional law on neutrality and nuclear-free status it would like to have guarantees for the preservation of its neutral status, such as those that at one time Finland had from the United States and the USSR," stressed S. Shushkevich.

Concerning B. Clinton's "Partnership for Peace" initiative, S. Shushkevich noted that he also considers it expedient to examine the official strategy of Belarus in creating in Central Europe a belt of neutral states with certain guarantees from the great states of the world.

Furthermore, S. Shushkevich considers that B. Clinton's visit to Minsk will encourage U.S. investment in its economy. [passage omitted]

Kebich Says Russia Should Join NATO Before East Europe

LD0601174094 Moscow Mayak Radio Network in Russian 1430 GMT 6 Jan 94

[Text] Russia should become a member of NATO before the states of Eastern Europe and Lithuania join this organization. This was stated by Belarusian Prime Minister Vyacheslav Kebich in an interview for a RIA correspondent. He said that such a step will help to avoid military-political polarization in Europe. Kebich believes that, once Russia has joined NATO, Belarus may also become a member of that bloc.

Kebich on Move Toward 'Genuine Economic Union'

WS0601180994 Minsk VECHERNIY MINSK in Russian 3 Jan 94 p 2

[Article by Semen Voronov: "Canny Little Bunny Was Jumping Near a Christmas Tree"]

[Text] On New Year's eve, Belarusian Prime Minister Kebich visited a children's sanatorium. While there, as reported by Lidiya Peresypkina, a BELINFORM correspondent, the prime minister managed to hold an interview with journalists. Of course, the prime topic of discussion was the recent CIS summit in Ashgabat which he attended.

At the Ashgabat meeting, said Mr. Kebich, I came to believe—maybe for the first time—that a good fate awaits us. Here is one example. We signed an agreement removing custom duties on assembly components in all CIS countries. This means that the price of finished products will be reduced by 30 percent all across the CIS.

It became clear at the meeting that everyone understood that cooperation is vital to all of us. After more than three hours of bilateral talks with Russian Prime Minister Chernomyrdin, all the prime ministers came to one conclusion—agreements with Russia must be signed as soon as possible.

Asked what good and bad things Belarus experienced over the past year, Vyacheslav Kebich said our major success was that bloodshed on Belarusian territory was avoided.

He spoke against further price increases and the deterioration of people's lives. Incidentally, the Belarusian prime minister thinks that it was the Ashgabat meeting that pushed CIS countries closer to a genuine economic union. Mr. Kebich is convinced that the common ruble zone will continue to exist. It is only together that former Soviet republics can stop their downfall.

So, why don't we begin believing in our good fate?

Kebich Praises Russian Government for Gas Deliveries

WS0601155394 Minsk ZVYAZDA in Belarusian 31 Dec 93 p 1

[Unattributed report]

[Text] Prime Minister Vyacheslav Kebich has received managers of the Russian joint stock company Gazprom. The meeting was dedicated to the issues connected with gas deliveries from the Russian Federation to our Republic until the year of 2010. An appropriate agreement was signed, in accordance with which Belarus will receive 16 billion cubic meters of gas as early as next year. In the future, the amount will double. Prime Minister Kebich praised the Russian Government for help in resolving the problems of winter gas deliveries to our Republic. The Belarusian side's request to reduce gas prices was received with understanding.

Premier Addresses Diplomatic Corps on 29 Dec

WS0701090094 Minsk RESPUBLIKA in Russian 31 Dec 93 p 2

[Speech by Prime Minister Vyacheslav Kebich at a meeting with diplomatic corps in Minsk on 29 December]

[Text] Dear compatriots, ladies, gentlemen, colleagues!

Let me pass my most sincere greetings and wishes of prosperity and happiness to you and the entire diplomatic corps. I want to emphasize that I am extremely happy to have the chance to meet you and share opinions with you on various issues of bilateral relations and international problems.

I am grateful to you for the nice wishes and opinions that you have repeatedly voiced at meetings with me and other Council of Ministers representatives.

I sincerely hope that the spirit of mutual understanding, friendship, and personal sympathy will prevail in our relations. I am convinced that this will serve the interests of our states and nations.

Due to the nature of your work you are well-informed about the problems Belarus are experiencing. I do not want to conceal the fact that we are living through hard times—critical processes in the economy are aggravating which has a negative impact on the sociopolitical sphere and causes negative reaction on the part of certain social groups. Many people have difficulties comprehending what is going on, and demand that the course of reform be abandoned.

We clearly see the seriousness of the current historic period and are doing our best to decently exit the situation.

Of course, the economy is not the only important factor. A radical reshaping of the political and administrative systems is under way that involves changes in mentality and ideology and thus, the entire system of personal and social values.

At the same time, everyday mentality fails to follow these processes, also because we have not formed a comprehensive theoretical footing for the latter. This causes frustration and dissatisfaction and optimistic thinking often gives way to pessimism. Doubts continue to grow regarding the authenticity of the path upon which the Republic has set out. Diametrically opposing opinions are voiced—some suggest orienting toward the East, while others maintain that the key to resolving our problems lies in the West.

With regard to this, I would like to answer one question that disturbs me: Does Belarus has its own foreign policy?

Yes, we have such a policy and its essence is not seeking priorities from the so-called "class perspective." Its essence is **to be driven solely by national-regional interests.**

It is based on refraining from using force or threatening to use force.

As you know, the Republic of Belarus, having proclaimed independence and won statehood, declared a ban on possessing nuclear arms and ever since, has been consistently pursuing this policy on the international arena.

Thus, **we were the first among the former USSR republics, and in general, among the world's nations, to initiate nuclear disarmament without putting forward any preconditions.**

By doing this, we laid our own little brick into the common foundation for European and international security. At the same time, we are not expecting any gratitude from the world community. The main issue for us **is trust, mutual understanding, and an opportunity for full-blooded international cooperation.**

These principled approaches determine the primary directions of our foreign policy, based on our vision of world problems and ways to resolve them. This does not depend on conjuncture—this is a result of our convictions and the political evaluation of the Republic's place and mission as a European state. This is a form of our participation in resolving global international problems.

We carefully examined the initiative voiced by NATO states on implementing a new concept of European security called "Partnership for Peace." I believe that these issues will be discussed in detail in the course of President Clinton's visit to Belarus. We are ready for this, and we will try to be reliable partners for our neighbors both in the East and the West.

On Domestic Situation

I have already said that our domestic situation is complicated and contradictory. Its major peculiarity lies in the fact that proclaimed democratic values and goals have not received legislative footing. The lack of a precise scheme for the division of powers often becomes the source of instability and political opposition. Paradoxical situations arise when the sprouts of the market economy are treated with an iron hand of administrating, while the emerging entrepreneurship is fought as dissidence. I mean the notorious reports on corruption.

What happened? In my opinion, certain forces, intentionally or not, used data that lacked judicial evaluation to launch an attack on democracy. These groupings decided to review the process of democratic reform and reverse market changes. When left and right radicalisms merge, this may initiate mob rule which may block the Republic's path to the market, destroy social accord, and hamper the process of political changes in general.

Of course, all this should be submitted to an in-depth analysis, but many people have already understood that the government, just like the legislature, needs more reliable legal and constitutional protection and immunity against cheap populism and petty heroism.

A Couple of Words on Our Economy

The socioeconomic development of Belarus has recently been accompanied by further exacerbation of critical phenomena, the shrinking of production and investments, inflation and deregulation of the consumer market. This has led to a deterioration in living standards. The main cause of the crisis is the destruction of the single economic space of the former USSR. However, there also exist domestic factors.

Due to well-known historic conditions, an abnormal structure of production has developed in the Republic, inadequate for the demands and purchasing power of our citizens.

The Belarusian economy is currently one of the most open economies. The Republic exports 19 percent of its products, importing 18 percent of consumer goods. For example, in 1992, Belarus imported 100 percent of natural gas, coal, steel pipes, cars, tractor trailers, wood processing machines, and so on.

Aside from this, high material and power outlays are the typical traits of the Belarusian economy. The situation was not that acute when the country received cheap raw materials, semimanufactures, and power resources from Russia and the other republics of the former USSR. Today, when prices for raw materials and power have reached the world level and the quality of Belarusian products does not meet international standards, further development of the structure of the economy granting competitiveness to just 3 percent of its products would lead to complete bankruptcy.

Thus, the primary task currently facing the state is **global structural reshaping**. We are trying to exercise maximum control over this process to alleviate inevitable accompanying hardships afflicting society.

With difficulty, so far, we have managed to achieve this. Belarus has the lowest rates of reduction in major economic indicators among all the CIS states with a similar socioeconomic structure, although due to understandable reasons prices for main power resources are five to 10 times higher in the Republic than in Russia. This is the principal factor determining the low exchange rate of the Belarusian "hare" as compared to the Russian ruble.

Local peculiarities aggravate the situation. Among these, we should first of all underline the demographic structure unfavorable to economic development—pensioners and elderly represent a significant part of society. People from many regions of the former USSR have often preferred to retire in Belarus.

The second negative peculiarity is the unheard-of concentration of the former Soviet Army's units and the necessity to observe USSR's commitments in the field of disarmament. Belarus is strictly implementing these commitments.

Third, we are continuing an exhausting battle against the aftermath of the Chernobyl accident.

We are forced to direct huge financial resources to resolve these problems, complicating and retarding the progress of reform. However, we are steadily pursuing the course for privatizing state property, demonopolizing industries, and fundamentally reforming the credit and banking system.

We understand that unlike the deregulation of prices, these systematic institutional changes cannot be carried out overnight, even if the former enjoy sociopolitical acceptance on the part of the people.

Serious problems emerge on our way. The "invisible" hand of the market brings changes undesirable for society. This is demonstrated by the experience of many countries living through a transitional period. When prices are set free, the application of Western-type monetary methods is often inefficient and may bring opposite results.

The government has a concept as to how to resolve these problems. This concept is based on the sober evaluation of our potential and understanding of an active involvement of the state in realigning the economy. **Interaction with Russia is the cornerstone of this concept**.

You have probably noticed that the government needed civic courage, resoluteness, and untraditional thinking to take some of these measures. We have often had to conduct acute political battles, debate with our opponents, and break through the lack of understanding. We are absolutely positive that we took a correct line in stipulating an economic union within the CIS framework, a single ruble zone with Russia, and a coordinated customs legislation. This will give our people the possibility to live and work in a civilized manner.

To persuade the people, the government is forced to act as a political organization, and sometimes perform similar functions. It is not through coincidence that we are occasionally called a "team" or even a "party." With regard to this, I want to emphasize that we are carrying the burden of political responsibility for the fate of the nation.

In light of this, the social orientation of West European democratic and social-democratic parties seems most attractive to us. The virtues of these parties are widely known. They were the first to give a theoretical footing to building a society of class peace, took an active part in eliminating the postwar economic crisis in Europe, and substantially contributed to the building of the states of law. Their cooperation on the international arena has granted a lasting peace in Europe; onetime enemies have been actively cooperating; economic integration is being accompanied by a political one.

I believe that these achievements can be successfully applied on Belarusian soil after introducing appropriate corrections given the new historic conditions.

Speaking in the town of Mir a year ago, I formulated the government's economic and sociopolitical strategies. Ever since, nobody has come up with an alternative program oriented toward the interests of the people. This gives me confidence in the correctness of the chosen path. I am ready to cooperate with all the forces sharing these democratic and social values.

I hope for understanding and support from all political forces loyal to the ideas of the national renaissance of the Republic of Belarus.

I also count on your understanding and support.

Happy New Year! With all my heart I wish prosperity, peace, and well-being to your nations.

I am addressing all the Belarusian citizens and compatriots abroad with New Year greetings. I wish you good health, happiness, and success in work for the benefit of our native land.

Foreign Minister Counting on EC Lifting Duty

WS0601205894 Minsk Radio Minsk Network in Belarusian 1815 GMT 6 Jan 94

[Text] Belarusian Foreign Minister Petr Kravchanka has held talks with Magdalene Phoff, head of a Europarliament delegation for cooperation with CIS states. In the course of their conversation, the officials highlighted issues pertaining to the widening of Belarusian cooperation with the Europarliament and the European Council. Magdalene Phoff spoke in favor of expanding dialogue between the Europarliament and Belarus, and continuing negotiations on forming a reliable legal footing for mutually advantageous cooperation. The officials also discussed the problem of conventional arms reduction and nuclear disarmament.

Speaking of economic relations between Belarus and the EC, Petr Kravchanka underlined that the Republic is counting on the EC lifting its antidumping duties imposed on certain Belarusian products.

Kozlovskiy States Republic Implements Disarmament Pacts

WS0701113294 Minsk VO SLAVU RODINY in Russian 29 Dec 93 p 1

[Report by V. Aron: "Belarusian Obligations for 1993 On Reduction of Conventional Weapons and Equipment Have Been Implemented"]

[Text] Colonel-General Pavel Kozlovskiy, Belarusian defense minister, has issued an order "On Results of Implementation of Treaties and Agreements on Disarmament and Reduction of Conventional Weapons and Equipment in 1993." The order says that the Republic of Belarus has implemented its obligations for 1993 on the reduction of conventional weapons and equipment. Appropriate information and notifications have been submitted to all states-participants to international disarmament treaties and agreements on time and in a full volume.

In 1993, 44 foreign inspections visited military sites of the Defense Ministry. Belarusian military experts participated in eleven military inspections abroad.

All the foreign military inspections confirmed the implementation of regulations of the Treaty on Reduction of Conventional Weapons in Europe and the 1992 Vienna Agreement and noted a high professional level of the Belarusian military which accompanied them on their inspection visits.

Belarusian defense minister thanked Colonel I. Osif, deputy chairman of the National Agency for Control and Inspection, Colonels B. Zhukov and A. Orel, Colonel V. Khomenok, commander of armored units, and a range of officials, who accompanied the foreign military in their trial inspections on the territory of Belarus.

At the same time, the order says that some officials were not responsible in performing their duties. During a trial inspection conducted by the Spanish military at the Minsk High Military Command School, inspectors discovered one nonregistered armored personnel carrier [BTR-60] and one infantry fighting vehicle [BMP-1]; at repair factory No. 140, a nonregistered infantry fighting vehicle [BMP-1] was found, while one infantry fighting vehicle [BMP-1] was registered as BMP-2. At some military units, the inspecting military were admitted with time delays due to the irresponsibility of commanders, etc. In response to this, the Belarusian defense minister included appropriate remarks to the aforementioned order.

Democratic Party Leader Demands Reforms, Blames Apathy

WS0601155194 Minsk SEM DNEY in Russian 3 Jan 94 p 3

[Interview with Aleksandr Dorovolskiy, leader of the United Democratic Party of Belarus, by Galina Dobrovolskaya; place and date not given: "Life Itself Will Force Us To Be Active"]

[Text] [Malakhovskaya] After taking a short stroll along the Minsk streets, one of my friends from Moscow said: "How bizarre it is to see such a drowsy and lethargic city." Do you agree with this?

[Dobrovolskiy] After my recent trip to Poland, I unexpectedly realized that not only is our people's life much worse, they also think in a different way. For example, they wouldn't move a finger to make their life any better. Poles, by contrast, seek to achieve Western living standards.

The effects of economic reforms in Poland are easily seen—storeshelves are always full, and even low-paid workers can lead a decent life there. Our Republic found itself in a bind not only because of the ineptness of its government, but also because of people's apathy. In a society undergoing economic reforms, ordinary workers participate in changes. There will be no more tranquility—one will have to work better to earn a good salary or simply to retain his workplace.

[Malakhovskaya] So we should adopt an American style of living. Is that correct?

[Dobrovolskiy] Mired in an old habit, we are waiting for someone to pass some good law and settle our problems. We must take the initiative and change our society, so that the government and parliament consist of reform-minded professionals. A famous saying has been borne out: People have leaders that they deserve. To change something in life, one should change himself in the first place.

[Malakhovskaya] What should we expect from the new year then?

[Dobrovolskiy] First of all, a shift in public sentiments. Life itself will force us to be more active. Our neighbors—perhaps with the exception of Ukraine—have left us far behind. If no resolute measures are undertaken, we will end up in limbo. The economic situation will worsen. God help us avert a collapse. We have long proposed creating a free banking zone in Belarus. This would allow us to finance Belarusian, Russian, and other enterprises. We should also try to ram our refrigerators, automobiles, tractors, and television sets into foreign markets.

'Belarus' Faction Sees Integration With Russia as Priority

WS0701105094 Minsk Radio Minsk Network in Belarusian 0400 GMT 7 Jan 94

[Text] The deputies' association "Belarus" stands for the Republic's integration into the international community. However, it sees as its top priority the establishment of mutually beneficial relations with Belarusian neighbors, first of all, with Russia as well as Ukraine, Poland, Lithuania, and Latvia. This was declared by the largest legislative faction at its meeting with a European Parliament delegation in charge of cooperation with CIS states headed by Magdalene (Hoe). In the words of Gennadiy Kozlov, "Belarus" acting coordinator, the faction is intensively working on strengthening integration with Russia proceeding from, as was emphasized, the sovereignty of the Belarusian state, and perceives Germany as the main partner in Europe.

Politician Comments on Results of Russian Elections

WS0701113094 Minsk DOBRY VECHAR in Belarusian 3 Jan 94 p 2

[Comments by Petr Bryhadzin, deputy chairman of the Party of People's Accord Council, edited by Tatstsyana Lazowskaya: "The Legislature—Mirror of Society"]

[Text] The results of the elections in Russia were not unexpected. We could foresee that slogans of Zhirinovskiy's party would be approved by poor people who comprise the majority of the Russian population—some 70 percent. By the way, such populist ideas will always attract simple people even if they are pronounced by the devil itself. "Russia's Choice," however, has not received the votes it could receive because the elections had not been organized properly. In my opinion, they were let down by their self-assurance of being the only candidates to the new power organs. As for me, the situation in Russia is not tragical at all: The legislature's membership perfectly demonstrates the situation in the state. It is evident that the counterbalance of forces in the Russian Duma will spark heated debates. Meanwhile, the Russian president, who is authorized with great powers, will not allow the opposition forces to show their actual force. In addition, the State Duma will hardly affect the state policy of the Yeltsin team.

At the same time, we should not underestimate the elections in Russia. It is symbolic that Russian super-radicals received the majority of seats in the legislature. We should remember that such things could happen in Belarus as well. It seems likely that independent candidates of the Zhirinovskiy type—at least four in number—will appear. The victory of the Zhirinovskiy party will cause a chain reaction. This fact should be considered during the election campaign in Belarus.

As for the Party of People's Accord, we have got some electoral experience. We have nominated First Deputy Foreign Minister Tarazevich to the Belarusian Supreme Soviet in the Zhodino electoral district. However, the elections failed due to the fact that only 46 percent of the voters participated in them. In my opinion, a 50 percent voting limit should be annulled otherwise elections will never be held.

I cannot assess the report presented by People's Deputy Lukashenko. Indeed, corruption is eating our society from top to bottom. The facts revealed by Lukashenko were not surprising neither for politicians, nor for law enforcement officers who provided the deputy with this information. To my mind, Eduard Shirkovskiy, chairman of the Belarusian Committee for State Security, or the State Office of the Prosecutor, or at least the Supreme Soviet Control Chamber should have reported on this issue. Furthermore, in order to account for the accusations, the officials whose

names are mentioned in this report should have secured access to these facts before they were brought to the Supreme Soviet deputies. We should learn to behave in a civilized manner.

I do not oppose the activities of this legislative commission. This commission should investigate the moral-ethical side of the issue, and coordinate its work with the activities of law enforcement bodies. Only law enforcement officers can assess and make conclusions on the issue.

Movement Announces Plans To Create Popular Party

WS0701105294 Minsk Radio Minsk Network in Belarusian 0400 GMT 7 Jan 94

[Text] The Belarusian Popular Movement press service said that at the initiative of a group of Belarusian parliament deputies, a committee was formed to prepare the statute and program documents, and to organize the Constituent Assembly of the Belarusian Popular Party. This initiative was supported by Sergei Gaydukevich, chairman of the Belarusian Popular Movement.

'Deputies for Reforms' Grouping To Oppose Totalitarianism

WS0601154894 Minsk VECHERNIY MINSK in Russian 3 Jan 94 p 1

[Report by Valeriy Gritsuk: "Deputies Are Also for Reforms"]

[Text] A new club, "Deputies for Reforms," has been recently registered with the Minsk City Executive Committee. The Russian elections have shown a real situation in society and possible scenarios of its development. It is obvious that the fledgling dictatorial tendencies must be resolutely opposed. One should not stand aside at a time when society is threatened with turmoil. The deputies' club will keep to the following principles in its activities: Rejection of violent actions, accord and equality of nationalities, intolerance to totalitarianism in all its manifestations, equality of all types of ownerships, including private ownership of land.

The first meeting of the deputies with common sense, concerned with the fate of their people, will take place on 5 January.

Moldova

Transdniestrian Official Welcomes Signing of CIS Documents

LD0501230194 Moscow INTERFAX in English 1912 GMT 5 Jan 94

[Text] Grigory Marakutsa, who chairs the parliament of the self-proclaimed Transdniestrian Moldovan Republic (TMR), welcomed the signing of CIS and economic union documents by Moldova in Ashgabat. He told INTERFAX that "these documents enable Moldova and Transdniestria to do business with former Soviet republics." Marakutsa emphasized that "Transdniestria wants Moldova to sign the collective security treaty, which it refused to do."

In his view, the Transdniestrian conflict cannot be resolved unless Moldova, Transdniestria and Gagauzia make a federation or confederation within the framework of the former Moldovan SSR. "Everybody, notably Ukraine and Russia, wants the existing borders of Moldova to be preserved while its internal structure is the republic's internal affair," he said.

Marakutsa ruled out the possibility of handing over the Ilascu group convicted by the Tiraspol court to Moldova.

In early December 1993, the TMR Supreme Court sentenced Ilie Ilascu, the leader of the Tiraspol branch of the Moldovan Christian Democratic Popular Front, to death on charges of terrorism while his five comrades were sentenced to different prison terms.

"In Kishinev, Ilascu and his men are regarded as patriots, not terrorists," Marakutsa said. "For this reason we are not sure that a new trial will take place there." He said that Transdniestria would welcome a retrial by an independent court with Russian or Ukrainian judges.

Marakutsa denied reports that he pressed for resignation of Aleksandr Lebed, commander of the 14th Russian Army. "We have different political views on numerous problems but this does not imply that one of us should resign," he said.

Agrarian Democatic Party Approves Candidate Roll

LD0501235294 Moscow INTERFAX in English 1912 GMT 5 Jan 94

[Text] The Agrarian Democratic Party of Moldova (ADPM), one of the most influential in the republic, has approved its roll of 106 candidates for the parliamentary elections on February 27. The party's co-chairman, Aurel Talmatskiy, told INTERFAX that the roll will be submitted to the Central Election Commission within the next few days.

Among party foremen, the roll includes most current republican leaders such as Parliamentary Speaker Petr Luchinskiy, Prime Minister Andrei Sangeli, Vice Prime Ministers Nikolay Oleynik and Valentin Kunev, and other ministers.

Talmatskiy said most state officials included in the roll will go on vacations and resign starting January 10. "We have to do that in order to prevent our political opponents from accusing us of abuse of power," he pointed out.

According to Talmatskiy, the agrarians do not intend to bloc with any other political forces. However, he was quoted as saying that "such blocs might be created in the parliament." "A union with the republican and social democratic parties which stand up for Moldova's stronger statehood and independence is the most likely," he noted.

At the same time, Talmatskiy pointed out that both open and disguised supporters of unification with Romania such as the Christian Democratic Front of Moldova will be

his party's main opponents. "I mean the Congress of Intelligentsia and some other political parties which emerged from the Popular Front," he explained.

Local political scientists believe that the ADPM has the best chances of winning the parliamentary elections.

Romanian Priests Not Authorized To Visit Prisoners

AU0601192494 Bucharest Radio Romania Network in Romanian 1800 GMT 6 Jan 94

[Text] Today at about 1000 [0800 GMT] vicar Teofan Sinaitul and the priest Sofian, head of the Antim monastery in Bucharest, arrived in Tiraspol intending to visit those who are imprisoned here: Ilie Ilascu, Tudor Petrov Popa, Andrei Ivantoc, Petru Godiac, and Alexandru Lesco. The two church officials were sent by Teoctist, patriarch of the Romanian Orthodox Church, to deliver a pastoral letter through which the patriarch comforts and blesses the prisoners, as well as a medal on behalf of the Holy Synod.

According to a statement by Teofan Sinaitul broadcast by Radio Chisinau, after they had persisted for almost eight hours, the authorities of the self-styled Dniester Republic did not authorize their meeting. We hope that in a few days' or weeks' time, when the authorities see fit to allow it, we will be able to pray for a few moments together with the five prisoners, Teofan said among other things, according to our Chisinau correspondent, Mircea Dascaliuc.

Kazakhstan

Prime Minister, Turkish Minister Discuss Cooperation

LD0601131894 Almaty Kazakh Radio Network in Kazakh 0000 GMT 6 Jan 94

[Excerpts] Prime Minister Sergey Tereshchenko yesterday received Turkish Minister of Transport Mehmet Kestepen and the Turkish ambassador to Kazakhstan. [passage omitted]

Both sides understand the importance of facilitating construction of the Trans-Asia railroad and the need for opening in the near future a regular bus service along the Kazakhstan-Uzbekistan-Turkmenistan-Iran-Turkey route. A convoy of cars from Kazakhstan will make the first trip along this route in February.

They also supported a proposal by the Turkish side to invite a Turkish-based company to participate in the construction of rail cars, and the prime minister suggested that Germany should take part in implementing this project. The Turkish minister expressed readiness to immediately start addressing some of the specific issues. The head of government expressed hope that cooperation between the two countries will help the joint development of seagoing vessels.

Turkey Ready on Projects

LD0601162994 Almaty KAZTAG in Russian 1330 GMT 6 Jan 94

[Excerpts] Prime Minister of Kazakhstan Sergey Tereshchenko received Turkish Transport Minister Makhmet Kostepen yesterday. [passage omitted]

Makhmet Kostepen said Turkey is ready to begin to implement several of specific proposals. For instance, Turkey is ready to participate in the reconstruction of Kazakhstani airports and to install electronic equipment there.

Cooperation in the field of telecommunications is also very promising. In February, Turkey, together with France, will launch a satellite which will substantially broaden the volume of Turkey's telecommunications with America, Western Europe, Central Asia, and Kazakhstan.

The guest also expressed a wish that an additional air flight to Turkey be opened.

Sergey Tereshchenko, having expressed hope that cooperation between the two countries will facilitate the speedy development of joint marine transportation, put forward the idea of setting up a joint venture for carrying freight by sea because each year about 7-10 million metric tons of oil have to be transported south and west.

Premier Stresses 'Sweeping' International Aid

LD0401200594 Moscow INTERFAX in English 1831 GMT 4 Jan 94

[Text] Kazakhstan relies on sweeping aid by international financial agencies to be able to carry out its program of economic reforms, Premier Sergey Tereschenko told Western ambassadors in Almaty on Tuesday.

He hopes that European governments will help speed up financial aid to Kazakhstan which carries out economic reforms and a policy of tight crediting and finances relying on the IMF's assistance in luring western investment there.

The Prime Minister put the number of joint ventures operating in Kazakhstan at more than 1,100. He also said the IMF was to provide $17 Mn [million] as part of its systematic credits covering the period from July 1992 to June 1994.

Prime Minister Discusses Use of 1994 Funds

LD0601144994 Almaty Kazakh Radio Network in Russian 0900 GMT 6 Jan 94

[Text] Prime Minister Sergey Tereshchenko has met with the coordinating council of the fund for transforming the economy. The meeting discusses the Economics Ministry's proposals for using this year's money. The fund's goal is to support with investments reforms aimed at creating a socially oriented market economy and raising its competitiveness.

The meeting decided to channel the abovementioned funds into constructing and commissioning priority spheres of the economy, such as the power industry, the oil extraction and gas industry, nonferrous metallurgy, and the production of consumer goods. The meeting also decided to conserve a number of construction sites which cannot bring an immediate profit.

When finalizing the Cabinet of Ministry's draft statute, the Economics Ministry, along with other ministries and departments, should take into consideration foreign investments which will be attracted with this purpose in mind.

Premier Chairs Meeting of Public Order, Security Group

LD0601220294 Almaty Kazakh Radio Network in Kazakh 1500 GMT 6 Jan 94

[Text] Prime Minister Sergey Tereshchenko today chaired a regular meeting of a group that was set up in accordance with a statute of President Nursultan Nazarbayev on raising responsibility of the state management body's officials over the state of discipline, public order, and security. It examined the issue of safe storage of weapons by the republican Armed Forces. As a check shows, more than 400 units of weapons were stolen or lost last year from military regiments. Among the weapons are 148 rifles and automatic machines [as received], 175 revolvers, 46 grenade cup dischargers, and five machine-guns. A certain quantity of them have been returned. But still a large

number of weapons are owned by criminals. Criminal cases have been initiated on all these facts.

The participants of the meeting strengthened the need for specifying a circle of people in the Armed Forces who will be held responsible for military arsenals. The session also discussed the aggravating criminal situation in Dzhambul Oblast. The level of crime solvency continues to worry us. Last year it did not exceed 52 percent. The Chu valley, with its hemp fields, has become a destabilizing factor. It has become a sort of a pilgrimage for drug addicts practically from all over the CIS. The session adopted recommendations aimed at radical improvement of the law enforcement bodies activities. It was decided to examine the issue of their realization over a period of four months.

Kyrgyzstan

President Akayev Receives Citizens' Letter of Support

LD0501225794 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1700 GMT 5 Jan 94

[Text] President Askar Akayev has received a letter from citizens of Toktogul district. It says that the people of Toktogul district, having familiarized themselves with the presidential program for social and economic development of Kyrgyzstan, fully support this important document aimed at lifting the country's economy out of crisis. Citizens of the district assure the president that they will do everything to implement it successfully. The letter also spoke about a forthcoming referendum. On 30 January citizens of the region intend to confirm at the referendum that the president, who was elected by the nation on 12 December 1991 for a period of five years, is the president of Kyrgyzstan until the end of his term with all the powers ascribed to the post. The letter has been signed by 16 people on behalf of labor veterans and workers of Toktogul district.

Government Commission To Examine Wage Payment Problems

LD0501181694 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0000 GMT 5 Jan 94

[Text] Rustembekov, the state secretary of [word indistinct] of the Kyrgyz Republic held an expanded sitting with the participation of leaders of the State Committee for National Security, the Interior Ministry, the procurator's office, and a number of ministries, departments, and banks. The participants familiarized themselves with the president's latest instructions, which he had signed on the eve of the meeting. These documents concern strict observance of the government's resolution on the urgency of specifically targeted social protection of the population. Urgent measures were discussed in order to swiftly tackle the emerging problems.

The head of state set up working commissions that will control the accuracy and timeliness of paying wages, pensions, and stipends. These commissions, which consist of the president's apparatus' personnel, will be visiting all regions of the republic in accordance with a relevant schedule. They must submit the results of their audit by 15 January. The state secretary under the president will coordinate this work.

The working groups are led by: Bakayev, chairman of the State Security Committee; Interior Minister Sutalinov; Procurator General Sharshenaliyev; Justice Minister Cholponbayev; Finance Minister Shakirov; Khakimov, minister of labor and social protection; and Kunakov, director of the State Taxation Inspectorate.

Senior officials of the government's apparatus will cooperate with them. Members of the working commission have left for the regions.

German Economic Delegation Arrives in Bishkek

LD0601130094 Moscow ITAR-TASS in English 1224 GMT 6 Jan 94

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek January 6 TASS—A delegation of the German Ministry for Economic Cooperation arrived in Bishkek, the capital of Kyrgyzstan, on Thursday. The aim of the visit is to expand the cooperation between the two countries. Almabet Matubraimov, the first vice-premier and heads of several ministries and departments met the delegation.

The guests brought hurаanitarian aid worth three million German marks for Kyrgyz children's hospitals. Besides, two agreements were signed—on establishing Kyrgyz-German foundation for carrying out scientific research, training of specialists and developing of financial cooperation. Today the guests are going to visit southern regions of Kyrgyzstan.

Armenia

Renewed Azerbaijani Offensive Reported

NC0601154594 Yerevan Armenia's Radio First Program Network in Armenian 1400 GMT 6 Jan 94

[Text] The situation remains exceedingly tense on Karabakh fronts. The Nagorno-Karabakh Republic [NKR] Defense Army press service reported that after a brief lull in fighting at night, the Azerbaijani troops resumed their attacks today in the direction of Gadrut, Agdam, and Askeran under the cover of fierce artillery shelling of Karabakh's defensive positions. Having massed large forces on the front, the enemy is trying at all costs to breach Karabakh's positions in these sectors.

NKR Defense Army subunits are succeeding in halting the numerically superior Azerbaijani troops. Nevertheless, the Azerbaijanis moved forward in the southern sector on the evening of 5 January.

The battles are also continuing with alternating success in the north, near Matagis in Mardakertskiy Rayon, where in recent days the Karabakh forces have managed to push back the enemy to its initial positions.

The battles were still continuing on all the aforementioned sectors at 1100 today. Both sides are suffering losses.

Information gathered from radio interception indicate that during the attacks the Azerbaijanis used assault detachments of foreign mercenaries, most of them from the CIS countries.

Ter-Petrosyan Appeals for Easing of IMF Terms

LD0601230694 Moscow INTERFAX in English 1824 GMT 6 Jan 94

[From the "Presidential Bulletin" feature]

[Text] President Levon Ter-Petrosyan, in a letter sent to IMF Executive Director Michel Camdessou, has asked for easing the terms of a loan to Armenia from the IMF's stabilization fund intended for newly-independent states.

IF Note: The IMF says the loan is being delayed because of regional instability and fears that the funds can be used for non-peaceful purposes.

The president says Armenia is not a party in the conflict and nor is it recognized as such by the international community. He pledged Yerevan's commitment to establishing peace in the region.

Economics Minister Armen Yegiazaryan and Vice Foreign Minister Jirair Liparityan are due to go to Washington for a new round of talks with IMF officials to discuss the aid issue and the situation in Armenia.

In the meantime, the local currency, the dram, plummeted by 30 to 40 points in Tuesday's sale. The dollar soared up to 130-140 drams on the black market on Wednesday and 1,000 rubles fetched 70-75 drams.

Local experts say the setback follows government non-intervention in currency markets in the first days of the new year, a shrinkage in commodity supply, and the indexing of pay and incomes effective from January 1.

Azerbaijan

Army Advances Reported in Karabakh's South

NC0601184094 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 6 Jan 94

[Text] We start our program with a report from the Defense Ministry press service.

Lately Armenia's Armed Forces have been trying to broaden their offensive operations in order to occupy more Azerbaijani lands. Having brought in a considerable amount of troops and military hardware, Armenia's Armed Forces are engaged in a show of force in Agdam and Beylagan sectors of the front. The brave Azerbaijani fighters are courageously resisting the enemy's onslaught, inflicting counter strikes, and forcing him to retreat from the occupied lands. Following bloody and fierce battles, the Azerbaijani troops repulsed large-scale enemy attacks and liberated (Ashagy-Yaglyvent), Kerimbeyly, and Shukurbeyly settlements in Fizulinskiy Rayon. At present, our troops are in control of Goradiz. The Armenian fighters fleeing in panic left behind eight tanks, 12 antitank missiles, six missile launchers, seven cannons, three vehicles, and numerous other military hardware.

Overall, the enemy lost some 500 soldiers, 32 tanks, five vehicles, six grenade launchers, and 10 artillery pieces during the latest fighting in this sector of the front. More than 3,000 mines were neutralized.

At present the Azerbaijani Army subunits are in control of certain regions in Fizulinskiy, Khodzhavend [Martuninskiy], and Kelbadzharskiy rayons. Fighting is continuing.

The valor of the Azerbaijani fighters is given duly praised by the Supreme War Command. Most of the troops and officers have been considered worthy of orders and medals.

During a reconnaissance operation, Sergeant-Major Ismailov Etibar Beyleroglu infiltrated behind the Armenian units and displayed bravery in fighting his way in the direction of Khodzhavend and inflicting effective blows at the enemy. The scouts destroyed six enemy cars, a tent camp, an arms depot, three tanks, and some 70 troops.

The brave fighter Sergeant-Major Etibar Ismailov, in trying to destroy an important Armenian target on 4 January threw the grenade he was holding under an enemy tank and saved his comrades-in-arm and was martyred heroically. God bless his soul, and may his grave be filled with bliss.

The Azerbaijani Armed Forces command expressed condolences to the kin of soldiers martyred during the fighting.

Army Counterattacks, Makes Gains

NC0601195994 Baku TURAN in English 1656 GMT 6 Jan 94

[Text] Baku, January 6 (TURAN)—Defense Ministry reports that as a result of counter-attack, early January Azerbaijani Army managed to liberate the northern part of Kelbadzharskiy region of Azerbaijan, which has been occupied by Armenian armed forces since April-May 1993.

In the course of firings the enemy lost lots of technique and life force. Senior officer of National Army who was in charge of the operation, told to a TURAN's reporter that Azeri Army seized 10 units of armoured carriers, 4 guns, over 10 anti-aircraft complexes "Igla" and "Strela", mortars, machine-guns DSHK, tens of anti-tank grenade discharger cups "Mukha", "Fagot" planes, rockets "Nurs", one anti-aircraft gun. Moreover, they have seized the depot of Armenian forces with million of gun and mashine-gun cartridges.

January 4 the units of Armenian Army launched a new offensive towards northern (Agdam) and south-eastern (Beylagan) directions of the front. As a result of firings the enemy lost 3 tanks T-80, 2 BMPs, 50 their soldiers have been killed. Only after that Armenian forces retreated to their positions. The attack in the south-eastern direction has failed as well. They have lost 4 tanks and over 10 their soldiers have been killed there.

According to Armenian prisoners, all hospitals and aid posts of Karabakh are full of wounded, there are lots of killed among the personal staff of Armenian army.

Cabinet Passes Resolution on Oil Investment

NC0601203494 Baku TURAN in English 1656 GMT 6 Jan 94

[Text] Baku, JANUARY 6 (TURAN)—Azerbaijani Cabinet passed a resolution concerning "Enlistment of foreign investments to oil industry".

The news centre of the government says that this resolution will enable to draw the attention to the development of oil and gas fields, to use foreign investments, labour and technical reserves more effective.

The resolution includes also the instructions of the SOCAR [National Petroleum Corporation of Azerbaijan]. SOCAR comes out for speeding up the talks with foreign companies on joint development of "Azeri" and "Chirag" oil-fields and to work out the draft of the agreement meeting the interests of Azerbaijan.

As the republic needs more natural gas, SOCAR with the assistance of American company "Pennzoil" intends to speed up installing of gas compression stations and building of sea gas-pipe, to start gas transportation from "Guneshli" field since the first quarter of 1994.

As TURAN agency was told by the sources close to the government, the draft of the resolution has been prepared by the President of SOCAR Natig Aliyev and was presented to the Prime-Minster Guseynov.

Judging by the context of the resolution, a group of experts led by Manaf Manafov does not intend to conduct talks with the consortium of oil companies any more.

Earlier SOCAR rejected the draft of the agreement prepared by this group as it did not meet the interests of Azerbaijan. There have been also some statements in press concerning the attempt of Manafov (the citizen of Slovakia) to get bribe from the members of the consortium in exchange for favourable conditions in the contract.

So, a new draft of the agreement will be of more severe character for foreign party.

The consortium of oil foreign companies was created in summer 1993. It includes of such companies as AMOCO, BP-Statoil, Pennzoil, Unical, Turkish Petroleum Corporation.

At first only Azeri, Chirag and Guneshli oil-fields have been involved into the process of exploration and development with total 1.5 billion tonnes of oil.

Autumn 1993 Guneshli oil-field was withdrawn from the project, Russian joint stock company "Lukoil" was included in the consortium.

Parliament Debating Bill on Martial Law

NC0601200594 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 6 Jan 94

[Text] The National Assembly is holding its regular session today. Our correspondent Gulsafa Ahmedova reports:

[Ahmedova] Deputy Chairman of the Supreme Soviet Afiaddin Dzhalilov chaired the National Assembly session.

Though the bill on martial law was endorsed [as the basis for further debate] at its first reading at one of the previous session of the National Assembly, in view of proposals that have been made, it was recommitted to the relevant commission for amendments.

Metleb Mutallimov, chairman of the commission, submitted the new version of the bill to the parliamentarians. A new debate began. Its importance for the republic that is living under war conditions was noted.

Tofik Gasymov, chairman of the commission that drafted the bill on border guards, briefed the National Assembly about the bill. The parliamentarians put forward a number of interesting proposals during the debate. The bill was then put to a vote paragraph by paragraph. It was adopted on the condition that some editorial changes be made to it.

The parliamentarians then expressed their agreement with the removal of the Deputy Prime Minister Vakhid Akhmedov and Finance Minister Salekh Mamedov from their posts.

The bill on the legislative plan for the first quarter of 1994 was debated and adopted in full after certain proposals were taken into account.

The National Assembly was continuing its session when our newscast went on the air.

Aliyev Receives Russian Troop Commander

NC0601190394 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 6 Jan 94

[Excerpt] Azerbaijani President Geydar Aliyev received today Lieutenant General Fedor Reut, commander of the Russian troops in Transcaucasia. Our correspondent Arif Mechitogly reports:

[Mechitogly] Azerbaijani President Geydar Aliyev received today Lieutenant General Fedor Reut, commander of the Russian troops in Transcaucasia. The military and political situation in Transcaucasia, and relations between the peoples of the region were discussed during the meeting. [passage omitted]

Discuss Deployment Problems

NC0601201794 Baku TURAN in English 1656 GMT 6 Jan 94

[Text] Baku, JANUARY 6 (TURAN)—Today President Geydar Aliyev of Azerbaijan received the commander of the Transcaucasian group of Russian troops General-Colonel Fedor Reut on his request. The meeting took place behind closed doors.

One of the representatives of the Presidential team told TURAN agency that during the talks President Aliyev touched upon the problem of participation by Russian troops stationed in Armenia fighting on Armenia's side. The general said that the Russian Army is not interfering in the conflict. In addition, he said that he will strictly control the troops who serve under him. General Reut thanked the President for his assistance to the Russian party for the transportation of military goods through the territory of Azerbaijan. Other problems of the region were also discussed during the talks.

Iranian Officials Discuss Border, Trade Affairs

NC0601204894 Baku TURAN in English 1656 GMT 4 Jan 94

[Text] Baku, January 6 (TURAN)—Yesterday the vice-chairman of the Supreme Soviet of Azerbaijan, Afiaddin Dzhalilov, received a delegation from the Ardebil province of Iran headed by the Vice- Governor 'Ali Akbar Iskanderi. The sides discussed ways of broadening and maintaining relations between the bordering regions of the two countries.

Dzhalilov expressed his satisfaction with the Iranian party's assistance to Azerbaijani refugees and displaced persons and the citizens of Nakhichevan which is under blockade.

Vice-Premier Abbas Abbasov also received the Iranian Ambassador to Azerbaijan, 'Ali Asgar Nahavandian, yesterday as well as other members of the delegation which include Mayor 'Ali Akbarzade of the town of Belasuvar, bisected by the Iranian-Azerbaijani border, and the Secretary of Trade, Ahmad Kazemi.

During these talks, both sides discussed the broadening of border relations. Of particular focus was the creation of a free trade zone in the Iranian-Azerbaijani town of Belasuvar. As known, at the end of last year the Cabinet of Ministers of Azerbaijan passed a decree on the creation of the free trade zone in this sector of the border. However, the opening of the zone has been delayed for technical causes.

Border Bazaars Planned

LD0601201694 Moscow INTERFAX in English 1427 GMT 6 Jan 94

[Text] Azerbaijan's Vice-Premier Abbas Abbasov and a delegation from the Iranian province of Ardebil discussed in Baku on Wednesday [5 January] ways of opening bazaars along the common border.

Abbasov reported that his government had drafted a plan on joint bazaars, and the republican leadership had been doing all it could to open such markets.

The project provides for stimulating the delivery of food and other prime necessity items to Azerbaijan from Iran. There will be primarily barter trade to keep Azerbaijan's currency reserves intact. Proceeds from market sales will be exempted from taxes.

Abbasov spoke highly of Iran's humanitarian relief to Azerbaijani refugees and welcomed Iran's proposal to set up a chain of Iranian shops in Azerbaijan.

Georgia

Reportage on Gamsakhurdia's Reported Death

Confirmed by Chechen Minister

LD0601163094 Moscow ITAR-TASS in English 1601 GMT 6 Jan 94

[By GIA news agency correspondent for TASS]

[Text] Tbilisi January 6 TASS—Chechnya's Foreign Minister Shamsudin Yusef confirmed on Thursday media reports about the death of Georgia's former President Zviad Gamsakhurdia.

"The Chechen leadership has reliable information about Gamsakhurdia's death", he said at a meeting with his Georgian counterpart Aleksandr Chikvaidze.

The meeting took place upon the request of the Chechen diplomat, a source in the Georgian Foreign Ministry told GIA today.

Aides Deny Rumors; Shevardnadze Comments

LD0601185794 Moscow Russian Television Network in Russian 1700 GMT 6 Jan 94

[From the "Vesti" newscast]

[Excerpts] [Studio announcer] Mystery continues to surround the story of the suicide of Zviad Gamsakhurdia. The Georgian leadership is not cofirming or denying these reports. [passage omitted]

[Correspondent N.Kandiashvili] Where does the reality about Gamsakhurdia lie, among the hundreds of different versions of his death? [passage omitted—a Chechen delegation told Shevardnadze of the death]

Regarding the rumors that he was surrounded by armed Georgian units and forced to shoot himself, in a special interview for "Vesti," Eduard Shevardnadze said today:

[Begin Shevardnadze recording] I categorically deny this because we did not plan any military operations, and there was no such pursuit. And there was no need for such a thing since we considered and we still consider that he is not a serious political force. And if indeed he has been killed or has committed suicide, I am sincerely hurt. [end recording]

[Studio announcer] Gamsakhurdia's representative in Spain, (Zhordani), has stated that the former president of Georgia is still alive. Zhordani claims that the suicide reports are aimed at bringing Gamsakhurdia out of his refuge in Georgia in order to arrest him.

Valeriya Novodvorskaya, adviser to Zviad Gamsakhurdia, expressed her opinion today.

[Begin Novodvorskaya recording] I can state quite positively that nothing has happened yet. The president of Georgia is still alive. We are in constant contact with the president. Everyone who knows Zviad can only deride the story about the suicide of a deeply religious Christian and a man who bears responsibility for his cause and for his country. [end recording]

Supporters Say He May Be Alive

LD0601183494 Moscow INTERFAX in English 1726 GMT 6 Jan 94

[Text] Supporters of deposed Georgian President Zviad Gamsakhurdia said he might be alive.

A source at the information center of Gamsakhurdia's rebels told Interfax that the conclusion was based on a careful analysis of the situation, but that the truth would be known after several days, for everything depended on whether a reply came from Gamsakhurdia himself, to whom an inquiry had been sent.

The source said those who had told Gamsakhurdia's wife Manana about his death had not been to western Georgia for two weeks.

The source said the rumors about Gamsakhurdia's suicide had apparently been launched by the Georgian leadership and had three aims: prepare a basis for his planned assassination, deal a mortal blow at the national liberation movement in western Georgia, and force Gamsakhurdia's closer relatives to return to Georgia in order to, by taking them hostage, force him to surrender to the authorities.

The source said the plot had had the opposite effect, Gamsakhurdia having received more support.

Burial With Honor Recommended

LD0601190494 Moscow Mayak Radio Network in Russian 1445 GMT 6 Jan 94

[Telephone report by IPRINDA correspondent Zurab Dvali from Tbilisi]

[Text] Today is exactly two years since the first popularly elected Georgian president, Zviad Gamsakhurdia, together with about 50 of his followers, escaped at dawn from his bunker in the government house, surrounded by the opposition, and fled from the republic. It is 6 January again—this time 1994, and again the destiny of this man is at the center of attention of virtually all the local and foreign media.

An official delegation lead by Chechen Republic Vice President Zelimkhan Yandarbiyev arrived in Tbilisi late last night. According to information we have, the guests intend to investigate all the details connected with Zviad Gamsakhurdia's death—along with examining a whole range of economic, trade, and other issues. They have also passed on to the head of the Georgian state a request made by the Georgian ex-president's wife Manana to allow the body of her husband to be buried in his homeland. She means the family cemetery in the grounds of the house in Tbilisi that belonged to the ex- president's father. Eduard Shevardnadze has declined this request. However, some sources claim that the funeral could take place in the Gamsakhurdia family home village in western Georgia.

It also become known today that Chechen President Dzhokhar Dudayev has issued an official statement in which he indicates that Zviad Gamsakhurdia should be buried in his homeland with all the honors that befit the first president of Georgia. In connection with this, Dudayev appealed to democratic circles of Russia, asking them to put pressure on official Tbilisi.

At the same time, the question of whether Gamsakhurdia has really shot himself still remains open. At any rate, a doubt about this version of events was expressed not only by representatives of the special services who, in one way or another, were closely following the ex-president's activities all this time, but also people who were personally close to Zviad Gamsakhurdia. Anyway, the fact remains—a man whose name was connected at first with the best hopes and aspirations of the Georgian people, and who later was accused of every mortal sin and proclaimed a chief ideologist of provincial fascism and a traitor, is no more.

As the saying goes, speak no ill of the dead.

Commentary on Death

LD0601225994

[Editorial Report] Moscow Russian Television Network in Russian at 2030 GMT on 6 January broadcasts an eight minute commentary on the report of the death of former Georgian President Zviad Gamsakhurdia.

The program interspersed its own commentary with the reactions and views of interviewees. It did not reveal

additional information about the circumstances surrounding Gamsakhurdia's reported death, nor did it offer further confirmations of existing reports.

Valerian Advadze, Georgian ambassador to Russia, who was interviewed in the Georgian embassy in Moscow, said that he, like his colleagues in Tbilisi, had learned about Gamsakhurdia's death from the Russian media. Advadze expressed doubt that Gamsakhurdia had committed suicide: "With his character he would have been unable to kill himself; he would not have had the courage." He said he thought it more likely that Gamsakhurdia was killed by one of his own entourage.

Asked by the announcer whether Gamsakhurdia's death, if it had taken place, would be advantageous to the Georgian leadership, Advadze replied: "I can firmly state that it would have no influence and no significance for either the leadership or the people, because he had already shown himself up once and for all, and had been dead politically for a long time already. There was no chance that he could make another expedition to Tbilisi, like the one he launched recently."

Continuing his commentary, the announcer expressed the view that Gamsakhurdia's death would affect Russian interests, referring to Gamsakhurdia's links with Abkhazia and Chechnya. However, V. E. Yegoshkin, acting director of the Transcaucasus department of the Russian Foreign Ministry, told the program that Russia's relations with Georgia did not depend on who was in power: "Our relations with Georgia and its people do not depend on who holds political power in that country. That is the internal affairs of the Georgians themselves, and Russia sees no point in interfering in Georgia's internal affairs."

Finally, the commentator recapped the latest controversy over Gamsakhurdia's place of burial, adding: "So one way or another, almost everyone is ready to bury him. If he is still alive, it will be difficult for him to find his place again in this rapidly changing world."

Investigation Outside Zugdidi

LD0701114194 Moscow ITAR-TASS in English 1128 GMT 7 Jan 94

[By ITAR-TASS correspondent Tengiz Pachkoria]

[Text] Tbilisi January 7 TASS—"So far we have not received any concrete facts confirming or denying reports of Gamsakhurdia's death and burial in one of the districts of western Georgia", Head of the Zugdidi District Administration Edisher Chargazia told ITAR- TASS on Friday.

Chargazia confirmed that an investigation is underway in the Zugdidi district and outlying areas. The investigation is being directed by the republic's Deputy Procurator-General Anzor Baluashvili.

Deputy Chairman of the Provisional Committee for Emergencies in Western Georgia Vakhtang Kvaratskhelia told ITAR-TASS that the investigative committee left Zugdidi today for the neighboring Tsalendzhikhi district, where it will visit two villages, Nakipu and Dzhagira. It was in this district that the rumor started of Gamsakhurdia's death and burial in one of the above-mentioned villages.

Kvaratskheliya himself proposes that "Zviad Gamsakhurdia's death did not occur in one of the districts of western Georgia, but beyond the republic's borders".

Chechen President Offers Groznyy Site

LD0601182194 Moscow INTERFAX in English 1726 GMT 6 Jan 94

[Text] Chechen President Dzhokhar Dudayev has offered Zviad Gamsakhurdia's relatives to bury him in Groznyy. According to Interfax sources, Dudayev believes that as Georgia's first legally elected president, Gamsakhurdia must be buried with all honors.

Groznyy's mayor's office told Interfax that requests were being made for naming a street in Groznyy after Gamsakhurdia. Groznyy's First Vice Mayor Sayid-Magomed Inorkayev said that Gamsakhurdia's name would be given to one of the city's most beautiful streets. He also said that the city administration was ready to organize a funeral ceremony in Groznyy.

Earlier, Gamsakhurdia's wife Manana had told Interfax that her husband must be buried in Tbilisi, in the courtyard of his house, near his father's grave. She doubts, however, that the Georgian officials will allow her to do so.

Officials Sent to Chechnya

LD0701115194 Moscow ITAR-TASS in English 1127 GMT 7 Jan 94

[By ITAR-TASS correspondent Tengiz Pachkoriya]

[Text] Tbilisi January 7 TASS—Late Thursday evening a group of Georgian law enforcement officials took a chartered plane out of Tbilisi to Groznyy, capital of the Chechen republic, Georgian First Deputy Minister of Security Avtandil Ioseliani told ITAR-TASS on Friday. The officials intend to meet with the person who first informed Manana Gamsakhurdia and the Chechen leadership about the death of Zviad Gamsakhurdia, the ousted president of Georgia. The goal of the trip is to determine the accuracy of the reports about Gamsakhurdia's death.

Ioseliani stressed that the group's fact-finding trip to Chechnya became possible due to an agreement reached with a delegation from Chechnya, visiting Tbilisi. The Georgian officials from the foreign ministry, security ministry, and procurator's office left for Groznyy together with the returning Chechen delegation.

Investigation Continues

LD0701055794 Moscow ITAR-TASS World Service in Russian 0445 GMT 7 Jan 94

[By ITAR-TASS correspondent Aleksandr Chernov]

[Text] Moscow, 7 Jan—Law enforcement officials sent by the Georgian head of state to the alleged site of Zviad Gamsakhurdia's death are continuing their work.

A duty officer of the Georgian Ministry of Security told ITAR-TASS over the phone that no news has come overnight. The former president's death is not being denied, but no version has been confirmed so far, and no information on the location of the body has been obtained.

The duty officer of the Georgian Security Ministry believes that information that can shed light on the death of Zviad Gamsakhurdia can be expected by late morning or early afternoon.

Official Denies Zugdidi Death

LD0601210394 Tbilisi First Program Television Network in Russian 1910 GMT 6 Jan 94

[Text] The rescue corps press center today got in touch with the chairman of Zugdidi administration, Edisher Chargazia, who said that the rumors alleging that Zviad Gamsakhurdia died in Zugdidi Rayon were untrue.

Shevardnadze Decree on Aid Coordination Bureau

LD0601234694 Tbilisi First Program Television Network in Georgian 1000 GMT 6 Jan 94

[Text] By decree of the head of state of the Republic of Georgia, a bureau for coordinating international aid rendered to Georgia is to be established at the cabinet of ministers of the republic of Georgia and under the supervision of the deputy prime minister.

The bureau is to coordinate humanitarian aid to Georgia received from foreign countries, governmental and nongovernmental structures, international organizations, and private individuals; find possible sources for rendering aid, planning measures for their realization, and securing their implementation.

The bureau council is to include the following persons:

1. foreign minister of the republic of Georgia
2. minister of finance of the republic of Georgia
3. minister of economy of the republic of Georgia
4. chairman of the committee for foreign economic relations of the republic of Georgia
5. chairman of the committee for science and technology of the republic of Georgia
6. president of the national bank of the republic of Georgia

The deputy prime minister of the republic of Georgia, Irakli Menagharishvili is to be appointed chairman of the bureau. The cabinet of ministers of the republic of Georgia is to adopt regulations of the bureau, discuss, and resolve the issue of creating appropriate material and technical conditions with the aim of using rationally the international aid rendered to Georgia.

Shevardnadze Addresses Abkhaz Group

LD0601230994 Tbilisi First Program Television Network in Georgian 1731 GMT 5 Jan 93

[Speech by State Council Chairman Eduard Shevardnadze at the inaugural meeting of the Abkhazia regional branch of the Citizen's Union of Georgia at the Rustaveli theater in Tbilisi on 5 January—recorded]

[Text] With all my heart and soul I would like to welcome the founding of the Abkhazia organization of the Citizens' Union of Georgia and to say at the outset that I regard this event as a very promising beginning along the way toward achieving our common goal and objective which is the victory of justice, that is, our dignified return to Abkhazia. Owing to reasons which are easy to understand, I have come to you feeling certain emotions. It was not easy for me to take this podium because the loss of Abkhazia, be it a temporary loss, is a great pain for the whole of Georgia and you, in the first place, for your friends and relatives, and for all Georgians and non-Georgians who have been expelled from Abkhazia.

I would like to start by saying I'm sorry. I am the leader of this country and I want to tell you frankly that I bear a very big share of the responsibility for what has happened, for this great disaster and tragedy. Things could have turned out differently had all levels of the Georgian leadership been up to snuff. We did not enter Abkhazia to fight. One cannot fight in one's own country and cannot deploy troops in an area unless there is an emergency there. We entered there to establish order. Unfortunately, the most difficult and unexpected thing has happened. I would like you to include me among the people who are now called refugees. Let me assure you that I am dreaming of returning to Abkhazia, as does each of you who has lost your home. I have the same emotions as each of you. I repeat: I consider myself a refugee until you and I return to Abkhazia. All my colleagues in the present leadership and the Citizens' Union of Georgia feel the same.

I profoundly believe that our meeting today and the founding of the Abkhazia branch of the Citizens' Union will not simply be a formal event. We will become a political force which will lead Georgia into a big arena, a force which will guarantee Georgia's unity, integrity, the unity of the Georgian people, the unity of all people living in Georgia, and it will guarantee Georgia's strength and future. If I did not believe in this, I would not spend the rest of my years with this organization. I profoundly believe in this and I also want you to believe.

It was said here quite rightly that the first thing to be done in the new year is to establish order in the whole of Georgia. First of all, a real Georgian army should be created. One of the main reasons for the loss of Abkhazia was our failure to create a real Georgian army, a national army. Those who were with me there—I can see that Batoni [honorific title] Tamaz is present, as well as many others with whom I spent most difficult days, hours, and minutes—can confirm that there was heroism, bravery, selflessness, and sacrifice, but I cannot say that there was a Georgian army. It was not an army. Judging numerically and qualitatively, if we consider each young man individually, judging by equipment and armaments, we should not have lost that war. Unfortunately, we lost it because there was no single and well- organized force.

In my short New Year's interview, I said that one of our priority tasks is to create a Georgian army in the next few months, in the next two or three months. The material and the means to do it exist. The main thing is to ensure good organization. As the head of state and the commander in chief of our army, I want to assure you that I will do everything to have such an army in Georgia. It is not accidental that I am saying this. Why I am saying this I will tell you towards the end.

The disaster which has befallen us was not accidental. I want us to look with self-criticism into our affairs and life. We have made so many errors. Did we not create a terrible phenomenon of modern times which is provincial fascism? I often say this and will often repeat it in future. We ourselves brought fascism, fascist forces, to power. We inculcated this ideology for several years. There will be a congress of the Citizens' Union of Georgia where we will show the whole country how this terrible disease was gaining ground in Georgia ideologically, psychologically, and philosophically.

I have recently asked my colleagues to select some newspapers, brochures, and books published at the time, so that I could leaf through them. They go even further than Hitler's Mein Kampf. And this was happening here in Georgia. And we were applauding this. Eighty-seven percent voted for this fascism. We were punished. We should have been punished and were punished.

The same fascism took root in Abkhazia. Even a worse brand of fascism. If provincial fascism had not existed here, then the Ardzinba regime would not have dominated Abkhazia. Our fascism legitimized that terrible electoral law which in practice meant apartheid, one nation oppressing another and the discrimination of one nation by another. This was fascism at work in Georgia.

This was followed by everything we have witnessed, the executions, including Zhiuli Shartava [chairman of the Council of Ministers of Abkhazia, who was killed in September 1993], the town mayor... [70 second loss of reception]

We were robbing them, is it true or not? Unfortunately, all this has happened.

Let us also remember how we drove Ossetians out of Tbilisi. After all, these people made up only one or two percent of the population here. You remember how we drove them out, how we fired and dismissed them from jobs, how we evicted them from their homes. And now they are living in the northern Caucasus. These were people who had been brought up in Georgian schools. Many of them wrote poems and stories in Georgian, worked in our laboratories and were engaged in work. I was brought up and have worked with many of them. They were wonderful people. How could we have expelled them from here? How could we have expelled them from the Borjomi gorge [in southern Georgia]. This was one of the areas known for its fertile land and hard-working people. Like gendarmes they [Georgians] took them and expelled them, and now these people are sheltering somewhere. How we tortured Ossetians. They also tortured Georgians, but how we tortured Ossetians. How we gouged out their eyes. How we committed terrible deeds. Was it fascism or not? Yes, it was.

This fascism gave Ardzinba that electoral law. It agreed with his aspirations. Therefore, we must say, as I said in my New Year's interview, that the year 1993 was, in a way, a year of purification. This purification must continue. We, the Georgian people, must be purified of sins. The sins which have been committed must be admitted. God will only be on the side of an honest man, an honest people and nation. This is a law of history and this is a lesson of history.

I think that we have swallowed a lot of bitter pills in our life, and 1992 and 1993 were years of drawing conclusions from bitter lessons. We have committed many other sins. We want all this to be discussed at the congress of our union. It will be discussed in a manly, direct, and resolute manner. If we do this, the Citizens' Union will become established in our society and will be a guarantor of our country's future.

We are making grave mistakes even today and I think this must also be mentioned. Most of you are now living in Tbilisi. I am not talking about hardship. It has affected everyone, both the refugees and locals. I know about many cases of people starving to death. It is difficult to imagine a disaster greater than that. However, let us talk about the New Year. Things are gradually improving but the New Year's fun was killed by endless shooting on New Year's eve. They were shooting from cannons, self-made guns, rifles, machine gun, from everything. One might think that it was the end, or, rather, the beginning of the storming of Berlin, or, rather, that the Berlin operation was under way. It was terrible.

I think that in a short while we will restore the kind of order which will allow the whole world to say that it is possible in Georgia, or, rather, that normal people live in Georgia. We are tarnishing our reputation by doing this. [applause]

It was a terrible night. The new year is a time of joy, but this time it was terrible.

At a meeting with people of Tbilisi I said that those who are confronting us, regardless of their rank, reputation—and I am not speaking here about illegal armed formations whom I have already challenged to fight a duel—will not be forgiven. This disaster will be over. [applause]

Reclaiming Abkhazia starts in Tbilisi, reclaiming Abkhazia starts in Samegrelo. I shall tell you one more truth. Had we not made so many mistakes in Samegrelo [Mengrelia], had we not given away Samegrelo to those people who did not deserve it, then nothing would have happened to Abkhazia, we would not have lost Abkhazia. Samegrelo was, in effect lost for Georgia and she was paralyzed. This is what Samegrelo means to Georgia. And you know what, the most difficult days...[pauses], I have the right to say that I am one of the refugees. I did not leave Sukhumi for one moment even when we seemingly gained a victory in

the month of March nor when we were being defeated. Many of you probably left [Sukhumi] at the end and I was one of those people who escaped in the nick of time. To tell you the truth, I was dreaming of not leaving it [Sukhumi]. It just did not work out. I still think I was right to leave. But I witnessed...[pauses] When we had the biggest crisis, we should not have been defeated. We had everything that we needed: manpower, arms, and the population of Sukhumi was disposed to fight, but units after units disengaged themselves from combat posts. There are people from Sukhumi, they will confirm it. Is it not true? They used to disengage themselves and flee.

I shall not forget one session. We used to gather every night at 0200 and sum up the day's results until 0300 to 0400. I shall never forget this session. I shall not give away the name of the young man, he may not be alive or perhaps he is hiding in mountains; the Sukhumi funicular, the key strategic center—if it is within your view then you control Sukhumi—a 60 to 70-strong unit was standing there. I asked at the session what the situation was like at the funicular. The leader got up and told me, do not worry, everything is well, it is guarded safely. The next morning, before the dawn, at 0500, I was told that the unit had disengaged itself and left the funicular. In half an hour mountain peoples and others went up there and occupied the funicular. Thirty-five of the best youths fell in the battles to recapture the funicular, but in vain, because it had already been captured by others and it was the beginning of the fall of Sukhumi.

Battalion after battalion used to disengage themselves from combat positions and at the end as we had no other option. Jaba Ioseliani, myself and two or three more men, we were begging with our hands up—I cannot use a gun, I am not a shooter— standing in the street: Please, units, get back, get back—but they were fleeing like a flock of sheep.

What had happened? Why were they fleeing? Because there was an order from the ex-president, if Sukhumi falls, Shevardnadze's government will fall too. Is it not a betrayal? That is why I am saying that we must look into our hearts, our sins, our misfortune. Had we been united, a united Georgia, or had Loti Kobalia come in good time—we had given him arms; Kitovani and others had given him and others three-fourths of the arms; they had given them everything there was, they were armed to the teeth and he did not budge. It was so easy to cross the Kodori river, there were only 1,500 men there. Karkarashvili had crossed over and back. They [Kobalia and his army] did not want to cross over. They were dreaming that Sukhumi would fall and they would come back to power. It is a dirty careerism. It is authentic fascism. It was the real cause.

Of course, there was a betrayal from Russia's reactionary forces which helped the rebels, supplied them with arms and plans but despite all this, Sukhumi would not have fallen by any means, had it not been for the betrayal.

Citizens' Union of Georgia must become the force which will tell everybody the truth, whenever, whatever the difficulties may be, however unpalatable the truth may be, it will tell the truth and it is for the first time that I am telling the truth about the Sukhumi disaster.

The key cause lies in ourselves, our betrayal, the dual nature and the duplicity of some Georgians who had allowed the unity of the country, the fate of the country, the salvation of Sukhumi and Abkhazia for the fall of a dream for a career. This is the trouble.

You know, we have been punished but not forever. They are dead ringers, like the two drops of water, the only difference being in the fact that in the first instance the matter is Abkhazians and in the second one it is Georgians. This is what the ideological preparation was like for what became to be known as the Abkhaz tragedy and disaster as well as the tragedy which had taken place in Georgia.

I am saying all this because the session of the Citizens' Union of Georgia is analyzing everything now and will tell the truth, the whole truth.

Georgia is now once again in the limelight not only because of the Sukhumi affair previously and other events; it is once again in the limelight. Why? Because fascism as such, is emerging as an event not only in one small corner and country but also on a larger scale.

The fascist force has come to the fore in Russia. When I was in Ashgabat, I felt a terrible alarm by the leaders of Kazakhstan, Ukraine, Moldova, Uzbekistan, our neighbors, and many others who were voicing a big fear over the emerging of the fascist force so boldly, obviously, in such an up-front manner, so unexpectedly in the arena. When they looked around, they said that Georgia had the greatest and most interesting experience in fighting fascism.

I said then and I say now that we have sorted out our fascism, we have defeated our fascism and now we must all unite in the CIS so that fascism does not win in Russia. If fascism were to win in Russia, it will be the burial of not only Russia, but Georgia as well. It will be a disaster. We shall not be able to stay away from these processes.

Therefore, the example of our fight, I do not mean only a physical fight, literally, but an ideological fight as well; and destroying fascism is our duty as it will help everybody. Fascism is one of the greatest dangers for the today's world in the same way as is separatism about which I used to talk much before and am still talking.

They have comprehended in Kazakhstan, Ukraine, and other countries that separatism is charged with an equally explosive bomb as an atomic one. They have just comprehended it. Can you imagine what will happen in Kazakhstan where it is 40 percent Kazakh and 60 percent other nationalities? What will happen if separatism spreads its wings there? Or what will happen in Ukraine where there are 15 million people of other nationalities and at that in the best organized and highly developed regions? What will happen if separatism is revived there as well as in other countries? Here, too, although bitter but still, an experience of fighting separatism has been accumulated in Georgia. I mean aggressive, fascist separatism but all this is the past.

We must still talk about today and tomorrow. I have said already and it is my analysis, not just an accidental phrase that the year 1994 must become the year of the beginning of a great turn, a turn towards progress, it must become the year of a serious turn. I have confidence. This is the result of our analysis and the conclusion from that analysis.

When proving this, I am also pinning hopes on the formation of such a strong political force as the Citizen' Union of Georgia. I trust that the Citizens' Union will be able to offer the public and Georgia solutions for the crisis. It must happen at our congress which will probably take place in February: how to bring Georgia out of the economic and political crisis, the social hardship and many other disasters that descended on us. There are solutions for it. The main thing is to find these ways properly and show people that we are not predestined, that the situation is not that hopeless; and that if we do not give up, if we get down to work and choose proper ways, there are solutions and the country will be saved. I hope that the citizens' Union will be the very political force which will create such a program and present it to the public.

The Citizens' Union, as I have already told you, will present to the public an analysis of the events which took place in recent years. It will be a serious analysis and serious summary. The Citizens' Union must manage—and I am sure we shall all unite in order to achieve this—to offer the public the program of restoring justice in Abkhazia and returning to Abkhazia; not by using slogans, demagogy, populist appeals and drumming more support and creating a heroic name for oneself and so on, but a realistic, scientific program for reclaiming Abkhazia. I am sure we shall manage it.

I have said many times and I am repeating once again that there are two solutions. They were there before and remain in force now. There are two solutions. We cannot afford refusing political means for settling the conflict, if they [political means] correspond to our interests. I know the disposition of some of you. Please, do not take offense if I am say this because several times our hopes had been dashed and it cost us very dear, the aftermath was grave. Still, life keeps changing, there are slightly different conditions now. International organizations are more active and there are more hopes for their support. We have new friends, Georgia has new friends—they have emerged, supervisors and observers of this process—the United States of America, France, the Federal Republic of Germany, and Russia simultaneously with those negotiations held under the auspices of the UN.

Deep in my heart I believe that Russia herself, in the long run, has been assured; anyway this is my impression judging from the conversation with the president, that Georgia's losing Abkhazia means the beginning of Russia's disintegration.

I had been saying this for a long time before but unfortunately not everybody heard it and failed to hear it properly. If Russia were to follow democracy and the Russian president assured all of us—the leaders of the CIS countries—that there was no other solution and Russia's current constitution provides with a possibility that Russia will develop in a democratic way, then Russia must become our ally in reclaiming Abkhazia.

Our first and foremost task is the speediest return of all refugees. As soon as the refugees return, as soon as everybody returns to their homes—some houses had been burned to the ground, some survived, most of them have been looted and destroyed, we shall still restore them, all of us, together—then the Abkhaz issue will be resolved because then, only elections must follow it and you know very well what the results of the elections will be.

There are other terms as well. I consider joining the CIS as one of the important events. Let them say whatever they please and smirk wickedly, I still think that I was the first to have taken this step. I am right in my choice. I have not made a mistake and in Ashgabat I got assured once again that my colleagues and myself and those who think in the same way as I do, those who share my point of view, that we are right. We have not made a mistake.

At the closed session of the heads of states it was said that the CIS would be a viable organism only if it creates appropriate guarantees for the territorial integrity and the stability of the countries. A specific mechanism has already been created, it is being created. There is such a phrase in the document which all of us signed together, we all signed it unanimously.

This is one of the guarantees that the situation will change.

I must say that many countries did not understand our stance in connection with Abkhazia at the beginning stage, especially the central Asian countries; there was a misinterpretation in the beginning in Ukraine, and in Russia, of course. Today, as everybody has already seen what aggressive separatism means in reality and in action, nearly all these countries are on Georgia's side. It is a very important event; not to mention anything about the world support.

Friends, we all owe—and I am not saying it in order to just pay tribute—we really owe the refugees. We know how hard it is for you and even more for those who are not here, who could not come. I know all about it very well. Probably we must settle whatever needs settling. Unfortunately the coupon has no value but we must still double, triple the payment so that people heave a little sigh of relief and humanitarian aid will be reinforced. I shall have the possibility to specially summon the vice-premier, Batoni Irakli Menagharishvili—many of you know him. I have delegated to him to create a system which would be just so that not a single gram of medicine or food be lost and that it reaches refugees in the form in which it is sent from the United States, France, Iran, Israel, Germany, and other countries. There will be a little help in the immediate future.

Many organizations are being established abroad whose aim is to save Georgia and her democracy. You know that the former secretaries of state, Shultz and Baker, have set up such an organization which includes quite influential

people. Former President Carter expressed the wish to become an honorary chairman of the organization. A movement is starting in the Federal Republic of Germany and so on. But I think that by the time they do their job, we shall have returned to Abkhazia.

There is one threat... [pauses] Maybe as a nickname, we shall call the Citizens' Union the organization for returning to Abkhazia. This threat, as they say, has been inborn with our people and it is still there—the split. There is no time for anybody's ambitions. Let nobody seek and attempt drumming up popularity at the expense of the people who are living in hardship, let nobody attempt it.

I think that all of you who are present must agree with me that there are two ways. I told you about one way. There is another way. It is not accidental that I started to talk about creating an army, a real army, an army which will not desert positions without an order from the commander in chief. If necessary, it will die, but will never retreat. Unless there is such an army, the other way, the way of a military solution is very difficult. We can talk endlessly that there is only a military solution, but we will achieve nothing without a real force, unless there is a real army which has been trained morally, psychologically, and militarily. Such an army is being created. Work to achieve this is under way. A little time is necessary. However, I want you to know that this is still on the agenda. People who are calling on the Georgians to arm themselves and go today are wrong because it is not so easy. All this is in the center of our attention and we are working to achieve this.

I think that in 10 or 15 days you will learn about some of the measures which will lead us to the creation of an army that will fight until the last drop of blood and achieve its task. [applause]]

A few more words now. I welcome...[pauses] I wanted Batoni Lorik Marshania [ethnic Abkhazian who was in the pro-Georgian Abkhazian government] to be with us today but he is away on a special assignment. I am very glad that his daughter, Kalbatoni [honorific title] Ada, delivered a speech. She did it in a very good, clever, and resolute manner. You know that her father and herself had to share the same fortune with each of you, and with us. It is good that there are Abkhazians among us. There are many Abkhazians in Moscow, Kiev, Sochi, and other towns with whom I am maintaining ties and I will never break these ties. I believe that the Abkhazians who have the right position are our brothers, they are and will remain our flesh and blood. We will live together. This is a law. I do not have in mind here one or two people or the group which has led us to this disaster.

I have said it before and, on behalf of our union, I will state again at this meeting that the democratic state of Georgia binds itself to guarantee not only the preservation, but also the development of the national identity of the Abkhazians and Ossetians. This may be in the form of autonomy or another form of statehood. We will together arrive at a decision which will be acceptable for the Georgians, Abkhazians, Ossetians, and other peoples. We give them a full guarantee of human rights protection and full equality in our free, independent, and democratic Georgia. Everybody should know and understand this.

We, the Georgians, are a hot-tempered people, but we are also a generous people. We will return to Abkhazia, however, we will return not for new bloodshed or vengeance, but to restore the justice of history, so that Georgians live together with Abkhazians and other peoples on that land and so that our children and grandchildren build a better and more beautiful Abkhazia within Georgia.

And this is how I would like to finish. It is possible that,—one group has told me this recently, so it is not my own idea—it is possible that a political process will not bring us the necessary result. The creation of an army may be delayed, which may result in other negative aspects. Your apartments and homes in Abkhazia are being misappropriated.

I would not rule out that the whole of Georgia will rise. I want this to be broadcast by television and to reach the UN and all other organizations. The whole of Georgia will rise. I will lead it. It would be hundreds of thousands, millions of people. They may be unarmed. We will start from the Inguri River—there will be hundreds of thousands, millions—and we will reach the Psou River. Even if we are unarmed.

This would be an unprecedented march, such as the world has never heard of. It would be a demonstration of the Georgians' will. The whole world will learn who and what the Georgians are. Half of us could perish. That is possible. But nothing is more supreme and sacred for us, including the Union of Georgian Citizens, than Georgia's unity, integrity, and happy future.

This is how I would like to finish my speech.

Tsereteli Calls For Anti-CIS Coalition Government

AU0701121694 Tbilisi AKHALI TAOBA in Georgian 29 Dec 93 p 2

[Article by Tamaz Mchedlidze: "The Parliamentary Majority Is a Pro-Russian Force"]

[Text] Irakli Tsereteli, chairman of the National Independence Party, has assessed 1993 as a year characterized by failures of every kind, beginning with the loss of Abkhazia and ending with entry into the CIS. In his view, a coalition government has to be formed, which will unite forces opposed to the CIS. Tsereteli believes that it is impermissible to hold elections without Abkhazia. Therefore, a new government has to be formed on the basis of its attitude toward the CIS.

"The present parliamentary majority is a pro-Russian force and consequently did not block the illegal decision of the head of state. Joining the CIS contradicts the acts of 26 May 1918 and 9 April 1991 [on the declaration of Georgia's independence]. In this way, the present government has abolished itself."

In the view of Irakli Tsereteli, there is no party existing in Georgia today that can form a government. Therefore, national forces should govern the state together.

Tsereteli assessed the Geneva negotiations [on settlement of the Abkhazian conflict] as fruitless and a shameful fact.

NDP Leader Views Change in Shevardnadze

AU0701121794 Tbilisi AKHALI TAOBA in Georgian 29 Dec 93 p 1

[Article by Soso Zaalishvili: "Giorgi Chanturia: 'Gamsakhurdia's Return Would Have Been Preferable to the Occupation of Samegrelo by Russian Forces'"]

[Text] Giorgi Chanturia, chairman of the National-Democratic Party [NDP], called 1993 the year of the total failure of state policy. In his view, Russia forced Shevardnadze to change his Western orientation.

According to Chanturia, there is a big difference between Eduard Shevardnadze as he was at the time of the expulsion of Zviad Gamsakhurdia and now as head of state. The head of state is conducting non-Georgian policies today. If anyone should fear the return of Gamsakhurdia, it is his family. However, the return of the ex-president would have been preferable to the partial destruction of his supporters and to Samegrelo's [Mingrelia] abandonment as a zone under virtual Russian occupation as, in these conditions, everything would have been given its proper name. In our case, Western countries gave a very negative assessment of the use of Russian troops against Zviad Gamsakhurdia's supporters in western Georgia. As a result of this decision, Shevardnadze has permanently distanced himself from the West.

Giorgi Chanturia believes that Interior Minister Igor Giorgadze has been sent to Georgia by the Russian special services in order to neutralize the head of state himself.

In the view of the NDP leader, the NDP is the only real force in Georgia today that supports Georgian statehood. Chanturia did not participate in the 11 October elections as he did not consider it was necessary at that time to become head of state. However, he now fears that, in spite of his reluctance, he will have to participate in the elections that are expected to be held in the spring. In the event of his victory, Giorgi Chanturia has promised us that he will establish order in one month but he does not know how to deal with the economy.

So, the National-Democrats have finally distanced themselves from the former [Soviet] foreign minister whom they brought to Georgia. It is interesting to know who will follow their example next year.

Justice Ministry Discusses Referendum on Status

LD0601213994 Moscow INTERFAX in English 1906 GMT 6 Jan 94

[Text] Abkhazia's Justice Ministry, temporarily based in Tbilisi, has evaluated the referendum on the legal status of this autonomous republic as a political farce.

The Justice Ministry's statement, distributed on Thursday, says that the aim of this measure is "to announce Abkhazia as a sovereign state" despite the UN and Security Council decisions. (As is known, their resolutions reconfirm Georgia's sovereignty and territorial integrity.)

"The intention to hold a referendum at a time when ethnic cleansing and genocide of the Georgian population are underway in Abkhazia is cynical," underlines the statement.

To this effect the ministry declared that "according to Georgia's laws and norms of international law, results of this referendum will have no legal force."

Ministry Critical of Ardzinba's Remarks on Talks

LD0601175194 Moscow ITAR-TASS in English 1738 GMT 6 Jan 94

[Text] Tbilisi January 6 GIA-TASS—The Ministry of Foreign Affairs of Georgia today issued a statement criticizing Abkhaz leader Vladislav Ardzinba for his announcement broadcast by radio that he felt "pretty skeptical" about the Georgian-Abkhaz consultations scheduled for January 11 in Geneva.

According to the Georgian Ministry of Foreign Affairs, these words of Ardzinba "testify not only to his skepticism but also to his intention to poison the atmosphere around the forthcoming talks and even to disrupt them as far as possible".

This assumption is borne out by Ardzinba's reiterated statement that "Abkhazia is no longer part of Georgia" and that "the question now is about signing an agreement between Abkhazia and Georgia as two equal parties".

A second round of consultations between Georgia and Abkhazia is scheduled to begin in Geneva on January 11. "The delegation from Georgia has been instructed to draw up, jointly with the Abkhaz delegation, a framework for the full-scale settlement in Abkhazia, which can be used as the basis of a resolution to be adopted by the United Nations Security Council," the Georgian statement said.

"Only a document recognised and guaranteed by the international community can ensure the restoration of peace in Abkhazia," the Georgian Ministry of Foreign Affairs said.

Trade, Economy Mission Established in Iran

LD0601185094 Tbilisi First Program Television Network in Georgian 1000 GMT 6 Jan 94

[Text] By the decree of the Cabinet of Ministers of the Republic of Georgia, and in order to widen trade and economic cooperation between the Republic of Georgia and the Islamic Republic of Iran, a trade and economy

mission of the Republic of Georgia has been established in the Islamic Republic of Iran, the headquarters of which will be set up in the town of Tehran.

Teimuraz Patsuria has been appointed the trade and economy representative of the Republic of Georgia in the Islamic Republic of Iran.

Estonia

Premier Laar Comments on Outgoing Ministers

WS0601193294 Tallinn BNS in English 1629 GMT 6 Jan 94

[Text] Tallinn, Jan 06, BNS—Estonian Foreign Minister Trivimi Velliste, to be replaced by Juri Luik under the current changes in the Cabinet, is to take over as the country's ambassador to the United Nations.

Estonia's current ambassador to the United Nations, the country's oldest diplomat Ernst Jaakson has announced plans to resign this year, Prime Minister Mart Laar said. It was decided earlier that Velliste would take over the office in New York. "It is in every way logical that the change takes place now," Laar said.

"The man to take over the foreign minister's office is the so far Defense Minister Juri Luik, of whom I believe that he will be more useful in that position," Laar added. "I believe that Indrek Kannik is able to successfully take over as the defense minister," he said.

Finance Minister Madis Uurike, who is also to be replaced in the same series of changes, will take up an adviser's position with the government. Uurike is to focus on issues connected with foreign loans, their usage and repayment, the prime minister added.

But he also said the necessity of changes in the Finance Ministry had been "long talked about."

"A certain working against the reforms or delaying them has been felt in the Finance Ministry every now and then," Laar said, pointing out the tax reform as one example. He said Heiki Kranich, who is appointed to take over as the finance minister, had been one of the parliament's main "driving forces" behind the tax reform.

Laar said that Toomas Sildmae, who is to quit as the economics minister, was to resume his office as the head of Finest Hotel Group Ltd., one of the country's three largest hotel companies.

The prime minister expressed the hope that Sildmae would keep up his ties with the government, but added that Sildmae as minister was at variance with the majority of the ruling coalition MPs.

"There is no reason to search where these variances had their beginning. But it is clear that in a parliamentarian system no minister lacking the trust of and cooperation in the parliament is able to work effectively," he added.

Toivo Jurgenson, to take over as economics minister, is to continue Sildmae's policy, at the same time increasing the pace of working out legislation in the sphere of the economy, Laar assured.

Laar Presents New Candidates

WS0601192494 Tallinn BNS in English 1629 GMT 6 Jan 94

[Excerpt] Tallinn, Jan 06, BNS—Estonian Prime Minister Mart Laar at 1 p.m. local time [1100 GMT] today presented to the country's president the formal proposals concerning the replacement of Foreign Minister Trivimi Velliste, Finance Minister Madis Uurike, Economics Minister Toomas Sildmae and Defense Minister Juri Luik.

The new appointments are Juri Luik as the foreign minister, Heiki Kranich as the finance minister, Toivo Jurgenson as the economics minister and Indrek Kannik as the defense minister.

Laar after the meeting at the presidential office at Kadriorg characterized the president's reaction to the planned changes in the Cabinet as "understanding."

"The president asked a few questions," Laar said. "He will surely consider the aptitude or inaptitude of each candidate for the office at least for himself."

Laar said no hindrances were to be expected from President Meri for the Cabinet changes. "I felt no such tone during the conversation with the president. This (changes in the Cabinet) is an issue to be decided upon by the coalition and the prime minister," he said.

The prime minister said that in his point of view the constitution didn't allow the president to refuse from approving a minister candidate. "But there also are gaps in the constitution," Laar added. [passage omitted]

Submits Proposed Cabinet Changes

WS0601163094 Tallinn BNS in English 1327 GMT 6 Jan 94

[Text] Tallinn, Jan 06, BNS—Estonian Prime Minister Mart Laar at 1 p.m. local time [1100 GMT] today formally presented to the country's president the proposals concerning the replacement of Foreign Minister Trivimi Velliste, Finance Minister Madis Uurike, Economics Minister Toomas Sildmae and Defense Minister Juri Luik, officials at the presidential chancellery and the government press office said.

The new appointments are Juri Luik as the foreign minister, Heiki Kranich as the finance minister, Toivo Jurgenson as the economics minister and Indrek Kannik as the defense minister.

The changes are aimed at "bringing new blood into the government and improving cooperation between the parliament factions and the government," government spokesman Ain Saarna said.

Today's formal presentation of the appointments was preceded by the president's and the prime minister's consultations with the heads of the ruling coalition factions in the parliament. The minister nominees have also presented their plans of action before the council of the ruling coalition and the Cabinet.

All of the minister candidates received the support of the ruling coalition parties.

The changes in the government must be approved by President Lennart Meri, who under the government law has got three days to make his decision.

Government Policy Not To Change

WS0701113494 Tallinn BNS in English 0708 GMT 7 Jan 94

[Text] Tallinn, Jan 06, BNS - The policy of the Estonian Government won't change after the replacement of some of the ministers, Prime Minister Mart Laar said in an interview with BNS today.

Instead, it will provide the opportunity to more consistently carry out the current policy and change just a few points of emphasis, he said.

Laar said the government planned to pay special attention to the tax reform and to putting the Tax Department to work. Laar criticized the Finance Ministry, which in his words had delayed reforms and in some cases ever "worked against them."

He said the Economics Ministry under the new minister was expected to pay more attention to working out legislations.

Laar said he was sure that the ministerial changes were not going to bring down the professionalism of the Cabinet. "The new ministers have gained experience in politics, which will enable them to come to better terms with the parliament," he said.

The prime minister declined to comment on whether or not the other coalition partners—the Moderates and the Estonian National Independence Party—had plans to replace any of their ministers.

Biographies of Candidates

WS0601164494 Tallinn BNS in English 1327 GMT 6 Jan 94

[Text] Tallinn, Jan 06, BNS—Following is a short presentation of the four new Estonian minister candidates, whose appointment was submitted for the president's approval today.

JURI LUIK, candidate for the post of the foreign minister. Born 17.08.1966 in Tallinn. Graduated from Tartu University, department of journalism, in 1989. Worked as departmental editor with the Vikerkaar literary magazine. In 1989, Luik was appointed the head of the political department of the Estonian Foreign Ministry. Later, as defense minister. Luik until now is the head of the country's delegation for talks with Russia. He was also one of the founders of the Republican Assembly Party in 1990. The party is now part of the National Assembly Party "Pro Patria". Luik, like many in the country's political elite, is member of the Estonian Students Society fraternity. Unmarried.

HEIKI KRANICH, candidate for the post of the finance minister. Born 09.10.1961 in the western regional capital of Haapsalu. Graduated from the Leningrad Institute of Electronics in 1991. Worked at and later headed Haapsalu's local telephone company. Then, departmental head and director of different branches at the West Estonian Bank. Was elected into the parliament in 1992. Deputy head of the Pro Patria faction in 1992-1993. Seceded from the faction with his Liberal Democratic Party's re-establishing its separate status aside from Pro Patria. Is a member of the parliament's Budget and Tax Commission. Married. The family has three children.

TOIVO JURGENSON, candidate for the post of the economics minister. Born 28.08.1957 in Tallinn. Graduated from Tallinn Technical University, department of civil engineering, in 1980. Occupied different positions with the Tallinn City Government. Between 1987 and 1989 headed the department for communal construction at the Estonian Planning Committee. Deputy director of Rake Ltd. between 1989 and 1992. Was elected into the parliament in 1992. Jurgenson is a member of the parliament's Economics Commission. Also the chairman of the Tallinn regional branch of the Pro Patria party. Married. The family has two children.

INDREK KANNIK, candidate for the post of the defense minister. Born 25.11.1965 in Tallinn. Graduated from Tartu University, department of journalism, in 1990. Worked as editor with the Sirp weekly cultural newspaper in 1989-1990. Adviser to the foreign minister between 1990 and 1992. Was elected into the parliament in 1992. Deputy chairman of the Pro Patria faction in 1992-1993. Unmarried. Member of the Estonian Students Society.

Head of Delegation to Talks With Russia 'May Be Replaced'

WS0601180694 Tallinn BNS in English 1327 GMT 6 Jan 94

[Text] Tallinn, Jan 06, BNS—The head of the Estonian delegation for talks with Russia may be replaced after the most important issues in the relations between the two countries have been settled, said the chancellor of the Estonian Foreign Ministry, Alar Olljum.

The Estonian delegation at present is headed by Defense Minister Juri Luik. Some sources say Luik is likely to be appointed the foreign minister in a series of changes in the government due before the Jan. 10 meeting of the parliament.

The official status of the Estonian delegation rose first with Luik's appointment as defense minister. The Russian delegation is headed by Special Ambassador Vasiliy Svirin.

"If we reach a breakthrough and an agreement on the main issues, including that of the troop withdrawal, and when only more prosaic and technical issues of detail remain on the agenda, we can easily replace the head of the delegation," Olljum said.

He also said the Foreign Ministry already had a candidate for the new leader of the delegation, but added that he considered it premature to reveal the candidate's name.

Official Favors Meeting Before 18 Jan Talks With Russia

WS0601180494 Tallinn BNS in English 1327 GMT 6 Jan 94

[Text] Tallinn, Jan 06, BNS—Representatives from the foreign ministries of Estonia and Russia should meet still before the beginning of the next round of bilateral talks, says the chancellor of the Estonian Foreign Ministry, Alar Olljum.

The next scheduled round of talks between the two countries is to begin on Jan. 18 in Moscow.

Olljum in an interview with BNS said several important events, including a U.S.-Russian summit and the first meeting of the new Russian parliament, are to take place before Jan. 18. The chancellor said these events caused the need for some kind of preliminary talks before the scheduled meeting of delegations.

Speaking about his planned meeting with Russian Deputy Foreign Minister Vitaliy Churkin, Olljum said "the invitation from the Estonian side remains in force."

The foreign ministers of the two countries at a meeting in Brussels early last month agreed in principle on a meeting between Olljum and Churkin. Olljum said Churkin had been ready to come to Estonia in the last week of December, when Olljum was having his vacation.

Estonia has received no proposal so far about a new possible date for Churkin's visit.

Russian Chief Delegate on NATO Membership, Minority Problem

WS0601181994 Tallinn BNS in English 1847 GMT 5 Jan 94

[Text] Tallinn, Jan 05, BNS—Estonian leaders' statements that the country wishes to join NATO haven't had much influence on the course of negotiations between the two countries, Vasiliy Svirin, the head of the Russian delegation for talks with Estonia, told BNS.

Svirin maintained that his country's position and the directions of its foreign policy are determined by the Russian president, who "has unequivocally stated his views on this issue."

The diplomat hinted that Russia is much more concerned about Estonia's cold attitude toward proposals for solving the problems of Russian-speakers' citizenship and social protection.

He claimed Russia presented the principles of troop withdrawal from Estonia already at the Dec. 1-2 meeting in Tallinn.

"Unfortunately, the Estonian delegation insisted even then that the pullout of Russian troops be completed by Jan. 1," Svirin claimed. He said he has no information about Estonia's proposals for the next round of t lks scheduled to take place Jan. 18-19 in Moscow.

Svirin said the Russian delegation expressed during the latest round of negotiations its displeasure at the Estonian government's Dec. 1 decree on granting residence permits to retired military and their family members.

In his opinion, the requirement that military pensioners sign a promise to honor Estonia's constitutional order, not to endanger the country's security with their activity and not to participate in the activity of armed groups, is humiliating.

Svirin also said that, in the field of economy, Russia is preparing for "constructive work" this year to study closely a draft agreement on economic and commercial cooperation, as well as contracts on the use of ports, on transportation and on questions related to the Soviet Union's foreign debt. He said the drafts for about a dozen economic agreements will come under negotiation.

Svirin stated that Russia intends to tie the conclusion of economic agreements favorable for Estonia to the signing of humanitarian accords.

Official Says Delineation of Border With Latvia Unnecessary

WS0601181694 Tallinn BNS in English 0959 GMT 6 Jan 94

[Text] Tallinn, Jan 06, BNS—Estonian political circles seem to have reached the conclusion that a border between Estonia and Latvia is not needed, Udo Helme, the head of the Estonian delegation to the joint border commission, charged in an interview to BNS today.

"Since Estonia and Latvia have established a visa-free regime between the two countries, erroneous references to several western countries that also don't require entrance visas are made," Helme said. "People who do so confuse the different functions of a border—the political, the juridical, and the security ones.

"This is detrimental to the de facto restoration of the Republic of Estonia as an independent state," Helme claimed.

A Foreign Ministry official told BNS that Vello Saatpalu, the chairman of the parliamentary Foreign Commission, made a proposal to the government to stop designating the boundary between Estonia and Latvia, since it is "a waste of the taxpayers' money."

Under the Estonian-Latvian agreement on restoring the boundary concluded in March 1992, Estonia is to mark off the border from the Pededze River in the east to the town of Valga, and Latvia, from Valga to Ikla in the west.

Estonia has until now marked off an 82-kilometer stretch of the border out of a total of 158 kilometers.

The cost of the work was originally estimated at 9.2 million kroons, of which 2.3 million has been spent.

A Foreign Ministry official, speaking on condition of anonymity, told BNS that, if the work is suspended, resuming it will cost Estonia an additional 4 million to 4.5 million kroons. Denmark's aid to the amount of 2.4 million Danish kroner will in this case also stop.

"Thus, it is most doubtful if stopping the construction saves the taxpayers' money," the official told BNS.

Under the agreement, the demarcation of the border should be completed by the end of 1995.

Ministry Supports 'Partnership for Peace' Path

WS0601190294 Tallinn ETA NEWS RELEASE in English 1750 GMT 5 Jan 94

[Text] Tallinn, January 5—Estonian Ministry of Foreign Affairs made an official statement, on Wednesday, regarding relations of Estonia and NATO in the light of the Lithuanian application to join the latter, stressing the danger originating from non-democratic powers in Russia, and the need for closer ties between Central and East European states, including Estonia, and NATO.

"Estonia is monitoring very closely the developments in Russia and the directions of Russian foreign policy," Ministry of Foreign Affairs' statement says. "The result of the recent elections should have made it clear to the world community that the democratic reforms in Russia may not be irreversible." Therefore, it is equally important for the world community to "support the reformers as well as to send a clear signal that the policies espoused by the extremist politicians will not be accepted," the statement continues.

According to the statement, this must include "tying the Central and Eastern European countries closer to NATO, inter alia through the 'Partnership for Peace', in conjunction with their increased ties with the European Union."

"As NATO enlargement should be seen in harmony with European integration, so should the Baltic and Visegrad states be included among the group of countries first to be offered the possibility of NATO membership," Ministry of Foreign Affairs statement stresses. "This approach must be coupled with an invitation to Russian democrats to cooperate with expanding European structures," it adds.

"Separating the Baltic and the Visegrad states, however, either implicitly or explicitly, could be interpreted by some countries as a 'green light' to restore 'spheres of influence'," the statement concludes.

Minister Deems Russian Liberal Democratic Party Illegal

WS0601181294 Tallinn ETA NEWS BULLETIN in English 0738 GMT 6 Jan 94

[From 6 January POSTIMEES, p 3]

[Text] Thursday, January 6—The Defence Police should handle the section of the Russian Liberal Democratic Party in Estonia, Justice Minister Kaido Kama said yesterday. Kama referred to a claim by a Pyotr Rozhok that a section of the party, headed by the extremist Vladimir Zhirinovskiy, is active in Estonia. Since only registered political organisations are allowed in Estonia and only Estonian citizens can form parties, the activities of the Russian Liberal Democratic party in Estonia are illegal, Kama stressed.

Decree Issued To Battle Corruption in Armed Forces

WS0601181194 Tallinn ETA NEWS BULLETIN in English 0738 GMT 6 Jan 94

[From 6 January PAEVALEHT, p 3]

[Text] Thursday, January 6—Commander-in-chief of the Defence Forces General Aleksander Einseln issued a decree yesterday on prevention of corruption in the Armed Forces, head of the Defence Forces Chancellery Mart Tiru announced.

General Einseln based the decree on his experience in the U.S. Army and the analogical U.S. code, since no regulations determining corruption or unethical behaviour existed so far in the Estonian Defence Forces. The decree bans, among other things, exploitation of official position for personal gain and the making of decisions exceeding the limits of authority.

Nuclear Fuel To Be Removed From Paldiski by 30 Jun

MK0601133094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jan 94 p 3

[Unattributed report under the "NEGA Reports" rubric: "Estonia"]

[Text] Andres Tarand, Estonian environment minister, has said that the removal of nuclear fuel from the training nuclear reactor in Paldiski is scheduled to start in March-April of this year and will take around four months. The Russian side has set the deadline for completing the removal of radioactive materials for 30 June.

Latvia

Ulmanis' Talks With CSCE Official Canceled

LD0601145894 Riga Radio Riga Network in Latvian 1400 GMT 6 Jan 94

[Text] Due to Latvian State President Guntis Ulmanis' illness, talks between him and Max van der Stoel, the CSCE's high commissioner for national minorities, scheduled for today did not take place.

Max van der Stoel is visiting Riga to discuss with Latvian Government representatives and parliament the problems of minorities and the Latvian bill on citizenship which is being discussed by the Saeima.

Saeima Faction Sends Letter to CSCE Official

WS0601185194 Riga LETA in English 1307 GMT 6 Jan 94

[Text] Riga, Jan 6—Members of a parliamentary faction "For Fatherland and Freedom", have accepted a message to be submitted to Max Van der Stoel, the CSCE High Commissioner of Ethnic Minorities Affairs. The message says:

"The faction of deputies of the Saeima or parliament, 'For Fatherland and Freedom', considers it necessary to call your attention to the fact that issues of ethnic minorities and terms of granting citizenship are quite different, completely separate things. It is recognised that 'an ethnic minority' is a term generally applied to those citizens of a country who do not belong to the indigenous population of the country. The number of such people in Latvia equals to 365,043 which amounts to more than 20 percent of the total of citizens. They are granted all citizen rights, moreover, the minority groups are also given large opportunities to develop their cultural autonomy. Thus there is no particular problems with ethnic minorities in Latvia."

"Meanwhile Latvia does face problems concerned with foreign nationals which have come to this country during the years of occupation, and their descendants. In violation of internationally recognised laws the invader country, the former Soviet Union, has brought a vast number of its civilians into the occupied country. Russia, which nominally has taken over the commitments of the former Soviet Union, is seeking to put an international pressure on Latvia in a bid to make it legalize consequences of occupation and colonization, instead of providing means for repatriation of the people transferred here under the occupation. Regrettably, those groundless claims have been met with understanding and encouragement also in some influential international bodies, as it is shown by your recommendations to Latvia, which would help to maintain political influence of Moscow here, endorsing it to pursue criminal policy of Stalin and Hitler. The faction 'For Fatherland and Freedom' calls on you to not only to counsel Latvia, but also to exercise your authority to ensure the Conference on Security and Cooperation in Europe to voice as strong a support to repatriation of the persons transferred to Latvia under the occupation, as it is voting to the demand for Russian troops pull-out, as well as to provide a wide political and financial aid to the process."

One of the reasons for writing the letter was the fact that the high commissioner who is visiting Latvia, has scheduled meetings with representatives of various factions of the Latvian parliament, but he, incidentally, failed to slate talks with the faction "Fatherland and Freedom."

Official Visits Saeima

WS0601184494 Riga LETA in English 1307 GMT 6 Jan 94

[Text] Riga, Jan 6—On January 5, the CSCE High Commissioner on Ethnic Minorities issues, Max Van der Stoel, visited the Latvian parliament. He met with the Saeima's [parliament] deputy chairman, Aivars Berkis, and with representatives from various fractions. The guest was mainly interested in the solution of the question of citizenship in Latvia. Mr. Berkis pointed out that the bill passed in its first reading is the basis of further work on the bill on citizenship which should ensure survival of the Latvian nation. At present, there are 1.7 million citizens in the Republic of Latvia. 79 per cent of them are Latvians. Max Van der Stoel pointed out that he understands the necessity of the use of such criteria for granting citizenship as the knowledge of the Latvian language and residence in Latvia within a certain number of years. According to Max Van der Stoel, Latvian citizenship should not be granted to people who, holding high posts, acted against Latvia's interests. However, he cannot understand the necessity of using the system of quotas. At the end of the talk, Mr. Berkis pointed out that it is impossible to form a two-community society in Latvia. Max Van der Stoel reminded that in the previous year, 10,000 representatives from other nationalities left Latvia and there is no reason for thinking that their number will increase in future.

Ministry on 'Gradual Integration' Into NATO

WS0601184394 Riga LETA in English 1307 GMT 6 Jan 94

[Text] Riga, Jan 6—On January 5, the Latvian Ministry of Foreign Affairs released a statement saying that the leaders of the Baltic States and governments have repeatedly reiterated their common wish to strengthen their ties with NATO. The Foreign Ministry of the Republic of Latvia welcomes the initiative of the Republic of Lithuania to join the North Atlantic Treaty Organization (NATO). A positive solution of the question will be a serious step in strengthening the European and local security.

The Ministry of Foreign Affairs of the Republic of Latvia appeals to all states of NATO to grant real guarantees of stability and security which can be offered by the North Atlantic Treaty Organization to the countries displaying their wish to integrate in NATO.

The Ministry of Foreign Affairs of the Republic of Latvia approves the programme of NATO's active cooperation with the Baltic states. According to the Foreign Ministry, cooperation with the North Atlantic Treaty Organization and its separate members in political questions and the questions of security is an essential foreign priority of the Republic of Latvia in a gradual integration in political and military structures of NATO. The Latvian Foreign Ministry appeals to all states of NATO to promote the formation of necessary preconditions for the possibly quickest joining the North Atlantic Treaty Organization by Latvia.

Response To Russian Withdrawal Proposal Prepared

LD0601200194 Moscow INTERFAX in English 1824 GMT 6 Jan 94

[From the "Presidential Bulletin" feature]

[Text] The press center of the Latvian government reported to Interfax that the Cabinet of Ministers had

prepared an official answer regarding Russia's proposals on the conditions of troop withdrawal set forth at the interstate negotiations in November 1993.

IF Note: The Russian party expressed its readiness to withdraw Russian troops from Latvia by August 31, 1994, under the provision that the radar station in the village of Skrunda would be preserved for 6 more years until a comparable facility was built in Russia. The radar station in Skrunda was built in 1967. It consists of four space tracking antennas, each 250 meters long, which allows monitoring of practically all of Europe and the North Atlantic.

The Latvian government has commissioned the state delegation at the negotiations with Russia to agree to the time of the troops' final withdrawal, namely August 31, 1994. However, it believes that the treaty on the status of the radar station must provide for conditions of its exploitation only during its dismantling, but this is not reflected in the draft document prepared by the Russian party.

The governmental press center reported that the Latvian party insists that dismantling of the reinforced concrete building of the station start immediately after the agreement is set into force, at the same time the station's major functional element, the detector, would continue its work.

The government has also decided to propose an alternative time to use this site, however it will officially announce its proposal only by the beginning of the next round of Latvian-Russian talks. In addition, Latvia will propose its rent payment for the exploitation of the station.

The government's press secretary, Sergey Antsupov, declared to Interfax that "the presence of alternative proposals and additional issues should not be viewed as Latvia's intention to torpedo Russia's initiatives."

Meanwhile, Latvian scientists and biologists believe that the republic must present a report to Russia due to the harmful influence on people and the environment exerted by this strategic radar station in Skrunda.

A report of the scientific council of Latvian Academy of Sciences' Biology Institute points out that "the detector's electromagnetic radiation adversely affects people's nervous system, disturbs their sleep, and results in a state of depression and lowering of people's working abilities." The report also enumerates data testifying to the detector's negative influence on flora and fauna. The scientists believe that further existence of the radar station on Latvian territory is inadmissible.

Premier Views Baltic Cooperation, Other Issues

WS0601193394 Tallinn BNS in English 1623 GMT 5 Jan 94

[Text] Riga, Jan 05, BNS—Latvian Prime Minister Valdis Birkavs emphasized in an interview that Latvia is ready for all-round cooperation with Estonia and Lithuania.

During Birkavs' term of office, Baltic cooperation at the highest level has quickly developed, but also strong competition has sprung up. There are disagreements on building an oil terminal and on cooperation between aviation companies.

The Latvian premier regarded the oil terminal construction as the main problem at present. He added that Latvia and Lithuania have considered the option of building the terminal in the Latvian port of Liepaja instead of Butinge in Lithuania, and that Lithuania has already taken steps to implement the plan.

Birkavs recalled that, during the recent discussion in the United Nations of a resolution on human rights violations in the Baltic states, Latvia threw its backing behind Estonia. "We decided that we'd rather risk a common defeat than proceed from different positions," he said.

Commenting on the border question, Birkavs underlined that "Latvia doesn't intend to dig any ditches on its boundaries with Estonia and Lithuania." He said the three countries have reached agreement that only people entering any one of the states are checked on the border. Plans for a common Baltic economic space and for consolidating the border with Russia are under work, the premier added.

With regard to the Petseri and the Abrene regions, Birkavs said the issue has to be solved at interstate negotiations. Latvia and Russia disagree about the jurisdiction over the Abrene region similarly to the Estonian-Russian disagreement over the Petseri region.

Asked about the weapons of the Latvian armed forces, the premier said approaching NATO doesn't necessarily mean that arms used by NATO have to be taken into use. He attached top priority however to abandoning the former Soviet standards and guaranteeing the security of the state.

Birkavs said Latvia, too, is negotiating an arms deal with Israel, and that the country hopes for credit from Israel on favorable terms. Birkavs claimed the question will be solved this year.

Statistician Reports 5.3 Percent Unemployment

WS0601182494 Tallinn BNS in English 1847 GMT 5 Jan 94

[Text] Riga, Jan 05, BNS—The number of unemployed in Latvia is 78,327, or 5.3 percent of the country's able bodied residents, according to Jan. 4 estimates by Lidija Lielmane, a specialist at the Latvian Welfare Ministry.

In total, 94,000 people are looking for jobs. Unemployment relief is paid to 44,804 people, while the number of longterm unemployed is 25,905.

Lithuania

Brazauskas on Joining NATO, Ties With Russia

LD0601205994 Moscow INTERFAX in English 1746 GMT 6 Jan 94

[Text] Lithuanian President Algirdas Brazauskas believes that Lithuania's decision to join NATO should not change the relations established with Russia and other neighboring states.

Brazauskas declared this to the Russian service of Lithuanian national radio, which he visited on Thursday together with Prime Minister Adolfas Slezevicius.

Brazauskas underlined that this political move should not be viewed as an intention "to change or to toughen relations with Russia and other states." In his words, leaders of all European countries should have reached an agreement on creation of "a single security umbrella."

Slezevicius added that "Lithuania's orientation towards the West does not represent any innovation in our foreign policy" and integration into the European security system, such as NATO, "would be a premise for stabilizing the situation in the region, and this is important both for Lithuania and all neighboring states."

Landsbergis Party on Russian NATO Concerns

LD0601234094 Vilnius Radio Vilnius Network in Lithuanian 2100 GMT 6 Jan 94

[Text] A statement was made by the Lithuanian Conservative party, Tevynes Sajunga [Motherland's Union], spokesman for the press concerning Russia's official reaction to Lithuania's wish to join NATO.

The statement reads that the statement made on 5 January of this year by the press secretary of the Russian president recognizes Lithuania's right to be concerned about her own security and that Russia respects this right. Now this right is being implemented by an official request to be admitted to NATO, however, Russia's regrets about bloc psychology should be addressed to Russia itself because Russia was the first to take up the initiative to restore the post-Soviet military bloc, which, after Belarus had been included, was threateningly approaching Lithuanian state borders.

According to Vytautas Landsbergis, Chairman of the Lithuanian Conservatives Tevynes Sajunga, Europe and NATO should note that the military bloc dominated by Russia today is just 30 kilometers from the capital of Lithuania. Belarus alone declared having 100,000 men in its Armed Forces, and what about the Russian military units in Belarus and the Kaliningrad Region?

Therefore, Lithuania has very good reason to be concerned for the expansion of the new Eastern military bloc, especially in view that regrettably the Belarus Government and the members of parliament have renounced the neutrality that was solemnly declared earlier.

Russia's neighbors are also not less concerned about the openly aggressive Russia's new military doctrine. Assurances that this doctrine allegedly blocks the way to any manifestations of aggression in Russian foreign policy absolutely contradict the text of the above doctrine and the real actions. The illegal deployment of Russian troops in Latvia and Estonia and Russia's avoidance of carrying out its international obligations in the region is a continuation of the 1940 aggression. Actions of the Russian troops in the Caucasus and Moldavia and threats and pressure exerted on her neighbors are the everyday examples of this deplorable policy.

We hope that the democratic forces in Russia will rally and become stronger dissociating themselves from the aggressive nationalism towards people of other nationalities and the neighbors, the statement by the Tevynes Sajunga—Lithuanian Conservatives—reads.

LDDP Faction Chairman Views Russian Policy

WS0601102594 Vilnius TIESA in Lithuanian 18 Dec 93 No. 246 p 5

[Article by Justinas Karosas, chairman of the Lithuanian Democratic Labor Party, LDDP, faction in the Seimas: "Where Will Russia Turn?"]

[Excerpt] [passage omitted] Certainly, Lithuania is particularly concerned over the political situation that has emerged in Russia after the elections. We cannot alone rely on the authority that the new Russian constitution grants to President B. Yeltsin to exercise a large influence on the country's foreign and domestic policies. There is no doubt that B. Yeltsin, being under pressure from the militant wing of the legislature, will make certain compromises that will have a negative effect on the Baltic states. It is difficult to predict today what definite moves will be made in this direction. It is clear, however, that our currently complicated relations with the great neighbor will be even more complex. Therefore, our policy toward Russia must be better considered and adequately diplomatic.

First of all, we must take more intensive care of the integration of Lithuania, as well as of other Baltic states, with West European security structures. This, of course, does not mean Lithuania's militarization, but only a protective umbrella against any aggression. I think that the first significant move in this direction was made last Wednesday [15 December] during a meeting of the three Baltic presidents in Tallinn. The presidents clearly formulated and expressed the desire of their countries to integrate with West European security structures. It is probable that West European countries will also become more attentive to the wishes of the Baltic states after the change in Russia's political situation.

The second problem that we should consider seriously today is the possible economic pressure on our country. After the collapse of the monopoly of Russia's Government as the sole manager of production, private business structures, out of pure economic interest, will do business with those who will bring a higher profit.

Under political pressure, economic ties with Russia may become more complicated. Therefore, it is vital for Lithuania to look for alternatives in other countries. The advancement of the construction of the oil terminal becomes simply crucial within this context.

To put it short, Lithuania, as well as other Baltic states, must closely observe events in Russia today and speed up its integration into Western Europe by all possible measures; certainly, by maintaining normal relations with all neighbors.

Energy Minister on Oil Terminal With Latvia

WS0601131794 Vilnius TIESA in Lithuanian 21 Dec 93 No. 247 p 1

[Interview with Lithuanian Energy Minister Algimantas Stasiukynas by Terese Smaroviene; place and date not given: "A New Dilemma: Liepaja or Butinge?"—first two paragraphs are TIESA introduction]

[Text] During the meeting of the three Baltic prime ministers on Friday [17 December] in Vilnius, Lithuanian Prime Minister A. Slezevicius and his Latvian counterpart V. Birkavs signed a protocol of intentions on the construction of an oil terminal and an oil pipeline in Liepaja, and on the delivery of oil products to the refinery in Mazeikiai, which has already evoked a reaction. The positive implementation of these intentions, most probably, does not satisfy the opposition. This project was criticized on the radio by A. Vaisnoras, member of the Seimas [parliament] Environmental Protection Committee.

TIESA's correspondent Terese Smaroviene has spoken with Energy Minister Algimantas Stasiukynas about a new turn in the story of the oil terminal.

[Smaroviene] Mister Minister, will we really discard the Butinge option if we reach an agreement with the Latvians on the construction of a joint oil terminal at the former military port of Liepaja?

[Stasiukynas] This will probably be the case. If we reach a final agreement on the construction of the terminal in Liepaja, it would be unwise to build an identical object in Butinge. We do not need two terminals.

[Smaroviene] When will the community be able to learn which option has been chosen?

[Stasiukynas] By 15 January of next year. The protocol of intentions states that Lithuania and Latvia agree to consider the issue of the construction of a joint export-import enterprise. The responsible executor of the project in Lithuania is the Energy Ministry, and its responsible manager—B. Vainora, deputy energy minister and managing director of the "Nafta" refinery in Mazeikiai.

In Latvia, this project will be reviewed by its Energy Ministry and the government. The latter will have to assign to the joint enterprise port facilities situated in the area of the Liepaja port, and the land necessary for the construction of the terminal and the pipeline to Mazeikiai. As I have mentioned, everything must be coordinated by 15 January. If the preliminary documents are not ready, or if we fail to reach an agreement by that date, the work in Butinge will continue.

[Smaroviene] Suppose, we choose the Liepaja option—the conditions satisfy Lithuania, and the guarantees are firm. How will the stock holding be divided?

[Stasiukynas] This issue is included in the protocol of intentions. Lithuania would have a 51-percent share, while Latvia would have 49 percent.

[Smaroviene] Which option—Butinge or Liepaja—is cheaper?

[Stasiukynas] Undoubtedly, the construction of the terminal in Liepaja is less expensive for us. It would cost $50 million less than the Butinge terminal, because we would not have to build facilities in the sea—they already exist. Thus, the terminal itself would be installed much faster. We must build a floating platform nine kilometers off the coast in Butinge, while in Liepaja everything is ready. The only thing that remains there is to clean the port area that has been neglected for many years. That would cost about $1 million.

[Smaroviene] How would you comment on current talks that a terminal in Liepaja will allegedly tie us to Russia?

[Stasiukynas] Liepaja is at the Baltic Sea rather than on the border with Russia. Tankers can sail to the port from any country. By the way, Latvia's proposal is assessed quite differently abroad. Recently, I met with the representatives of the EC and the European Bank for Reconstruction and Development in London, who think that the bank's financing for this Lithuanian-Latvian project is guaranteed. In their opinion, this will be the first European object in the Baltic states.

[Smaroviene] In your opinion, why did the Latvians propose the Liepaja port as the site for the terminal so unexpectedly? Why were there no such proposals before the beginning of the work in Butinge?

[Stasiukynas] Our neighbors must have thought that we would not build this terminal. There probably would not have been any proposal, if the competition for the Butinge project had not begun. When it became clear that Lithuania is determined to have its own oil terminal, the Latvians proposed their option which we are considering very cautiously and thoroughly.

[Smaroviene] We, the Lithuanians, do not seem very serious. At one time, we discuss the issue of Ventspils, while later we become tempted by our neighbors' new proposal, despite having begun a project of our own facility....

[Stasiukynas] Ventspils is a past stage that had many negative points, while Liepaja is a new and clean port. Why should we not take advantage of it if this is beneficial?

[Smaroviene] You have mentioned the guarantees that the Latvian Government is granting to our state in the construction of the oil terminal and the maintenance of the Liepaja port.

[Stasiukynas] The construction of such an important joint venture requires the guarantees that the tax system and other conditions will not change. A country in which that enterprise is located can invent various obstacles. However, these issues are solvable. There is an international legal practice. The European Bank for Reconstruction and Development has pledged to send its consultants who will draft such an international agreement.

[Smaroviene] Thank you for the interview. We will be looking forward to 15 January 1994.

Premier Returns; Comments on Farmers Strike

WS0601200294 Vilnius ELTA NEWS BULLETIN in English 1755 GMT 6 Jan 94

[From ELTA "NEWS BULLETIN" No. 409]

[Text] Vilnius, Jan 6 (ELTA)—Lithuanian Premier Adolfas Slezevicius gave his first news conference after his holidays in Florida on January 6. He commented on the state budget of 1994 and expressed his satisfaction about the fact that a possibility had been found to finance restoration of historical buildings. Then Slezevicius returned to current problems.

At present one of the major problems is the forthcoming farmers' strike in February. Slezevicius said that he had met with the chairman of the strike committee Jonas Ciulevicius just before the news conference. At the meeting which lasted about an hour possibilities of avoiding the strike were discussed.

"The right to go on strike is guaranteed by the Constitution, but the organizers of the strike must know that they have no right to force farmers to go on strike and stop supplying processing enterprises with produce. The fact that strikers will take their produce to market places instead of processing enterprises shows that this action could hardly be called a strike as they had a similar right before", Slezevicius said.

Another important problem is the construction of the oil terminal. Slezevicius emphasized that the construction of the oil terminal in Liepaja did not mean that another terminal would not be built in Butinge. Slezevicius told the press once again that if the terminal is build in Liepaja, Lithuania should have the controlling block of shares, that is 51 percent of capital. In addition, Lithuania should get some land in the port territory for building the joint-venture as well as some land for construction of the oil pipeline to Mazeikiai. The final decision on the issue should be adopted next week in Liepaja at the meeting of Lithuanian and Latvian state delegations.

Minister Answers Charges of Toxic Imports

WS0601181794 Tallinn BNS in English 0959 GMT 6 Jan 94

[Text] Vilnius, Jan 06, BNS—Lithuanian Energy Minister Algimantas Stasiukynas once again denied accusations of allowing to import and to use toxic fuel in Lithuania.

It is strange that lawmakers have no idea of who is responsible for what and direct their interpolation "to the wrong address," Stasiukynas said at a press conference Wednesday [5 January].

The parliament's rightist opposition demands to take a vote of confidence in the minister for allegedly allowing to burn toxic fuel in boiler houses of several Lithuanian towns and regions. The opposition said the step resulted in numerous gas-poisoning cases.

Stasiukynas said Absorbent A-1, the toxic fuel used in some areas, will be collected and stored in a special reservoir of the Elektrenai thermal electric power station. The minister said there are several ways to get rid of the fuel. Experts suggest either to burn it at the Akmene cement factory and in Elektrenai, or to take the absorbent out of the country.

The minister said poisonous substances are emitted only when the fuel is burned in low temperatures. In theory, toxic substances should also be emitted when the absorbent is burned in high temperatures, but laboratory tests proved the opposite, he said. Additional tests will reportedly be made in the West.

Stasiukynas said Tuesday that the fuel was unlawfully imported by the Lithuania-USA company Lamaringas and sold to the state-run company Siluma (Heat). The importer forged customs documents, which indicated a different kind of fuel, he said.

The first warning signals came from the Environmental Protection Department last May. Stasiukynas said his ministry immediately began a search for places where the fuel was used. All absorbent users were known by July-August and all reservoirs containing the fuel were sealed. The minister said the only incident occurred in the town of Kelme where some fuel spilled through a leaky pipe.

Chief of Staff Stresses Need for Reform

WS0601155294 Vilnius RESPUBLIKA in Lithuanian 28 Dec 93 No. 250 p 4

[Article by Jonas Uzurka, chief of staff at the Vilnius division of the Volunteer National Defense Service: "Farewell to SKAT"]

[Excerpts]**Lithuanian Prime Minister A. Slezevicius has confirmed to RESPUBLIKA that a presidential decree is being drafted which will reorganize the Volunteer National Defense Service [SKAT]. It seems that it will be restructured as the National Guards, and the name of SKAT will disappear. "The SKAT has required changes for a long time. However, everything will be planned and accomplished consistently. We will try to do our best to prevent the sad**

events in the woods near Kaunas [reference to volunteer mutiny] from recurring," said A. Slezevicius. A detailed plan of reorganization has already been drafted at the National Defense Ministry and the Armed Forces Staff. Today we are publishing an article by Jonas Uzurka, chief of staff at the SKAT Vilnius division.

Many Lithuanian citizens become concerned when they see a man, wearing an indefinite uniform and a red beret with the national emblem, in the street. Many foreigners are terrified when they see a volunteer, dressed the same way, but armed and usually drunk, at the airport. [passage omitted]

People fail to understand the extent of such disorder in the SKAT. In my opinion, the principal reason for this is that the SKAT was created and managed by people who ignore military discipline. The most important issue for them was to get cushy positions for themselves and their acquaintances. Therefore, they invited "like- minded" persons to assume positions, the number of which was exaggerated immoderately, awarded ranks and orders to themselves, and engaged in commercial activities shamelessly. Where have you seen an officer working as a marketer!? Is it possible to train a volunteer to defend the homeland if the facilities of the SKAT division in Vilnius are leased to 17 commercial firms alone? We need not be surprised that volunteers guard commercial stalls rather than warehouses with ammunition.

Currently, the SKAT has about 1,000 full-time employees, while there were only some 500 of them in the National Defense Ministry between the wars. This may be why SKAT employees react so noisily to any criticism and accuse critics of destructive communist activities for their word of truth immediately.

"Honor" trials for honest volunteers are becoming more frequent. [passage omitted]

Therefore, the reorganization of the SKAT is essential. According to the plan, the number of its full-time jobs will be reduced to 500. One should understand at last that not a single military formation can be beyond the law, and that commerce is not an officer's job. It is only when the armed forces are isolated from politics, and when soldiers obey the statutes and laws alone, that the Lithuanian people will believe that they see a defender of the homeland rather than an armed criminal. Let those who are unable or unwilling to submit to the military discipline engage in trade, but not in military activities. This will be more beneficial to the community.

Despite the current commotion over the SKAT, I hope that we will have real, disciplined, and honorable defense structures shortly.

New Minister Outlines Social Security Policy

WS0601153094 Vilnius TIESA in Lithuanian 22 Dec 93 No. 248 p 7

[Interview with Lithuanian Social Security Minister Mindaugas Stankevicius by Jolanta Zilinskaite; place and date not given: "The State—Not an Aunt From America"]

[Excerpts] New Minister Mindaugas Stankevicius has headed the Social Security Ministry for a month already. He has told TIESA's reporter Jolanta Zilinskaite about his first official duties.

[Zilinskaite] **It is said that a new broom sweeps clean. With what duties did you begin work in your new position?**

[Stankevicius] I am continuing the work begun by others. I have participated in the creation and restructuring of the social security system for several years. Although being pushed around as a chess piece, an individual enjoyed a minimum of security in socialist times. As we are trying to move toward a modern market economy, we must understand that all principles of social security are changing in essence. A human being must begin to provide for himself or herself, while the key task of the state is to help those who really cannot survive without its assistance. Our country is still very poor. Thus, we cannot pay such benefits to unemployed people all year round as in other states, which would be sufficient to live on.

The Seimas [parliament] and the government must draft definite laws, while a person should receive assistance at his or her place of residence. So, we want to assist local self-governments in organizing such work. We think that local social security services should expand such activities more actively. We have definite proposals how to help them. The state has assigned some means for this, while the EC, which is ready to help us, has promised to supply the aforementioned services with computers through the PHARE [Poland and Hungary Action for Restructuring the Economy]. This is one of such broader initiatives, while my everyday work is routine. Although much criticized, the social insurance system "Sodra," is doing its work, as well as the labor exchange. Services for retraining of adults encounter more difficulties. They should help jobless people react quickly to the current situation—to either improve their skills, learn new jobs, or engage in private business. It is very important that the State Labor Inspection get down to serious work, because many job injuries, accidents, and occupational diseases still occur in Lithuania, and a "black" labor market is emerging, where the people are unprotected.

I agree with the criticism that social security is not sufficiently balanced. There are many pressing problems that are even hard to list. For example, we compensate part of the expenses for urban pensioners, while rural pensioners who buy expensive fuel do not have such compensation. [passage omitted]

[Zilinskaite]**Does state assistance reach primarily those who require it most of all? What is to be done to prevent those who can earn a living on their own from collecting benefits?**

[Stankevicius] The larger part of assistance really reaches such people. However, there are different cases. I think that one or another trader from Gariunai [large marketplace in the suburbs of Vilnius] receives unemployment benefits from the Labor Exchange.

What must be done to prevent this? First of all, the state must have such a mechanism that would assess the real income of each citizen. The law on the declaration of income is, probably, the best outcome. However, this is not so simple. Therefore, we do not intend to idle about. We are drafting proposals to toughen existing laws.

[Zilinskaite] **People's life is hard, while the state budget coffers are empty. There are no means for supporting all those who cannot earn a living. While the Seimas is debating the budget for next year, I would like to ask you whether there are any possibilities for assigning more money from the budget for the poor?**

[Stankevicius] Even if all of next year's budget was earmarked for social security, this sum would not be too large. Seriously speaking, the social sector receives about 43 percent of the budget money. This includes both health care and education, because all three of these issues mean social security.

We must help the needy. However, the most important issue today is to create conditions for profitable jobs. Currently, about 7 percent of Lithuanian residents receive the lowest reward, that is, 48 litai a month. We are often reprimanded for this. Even the average pension is only 103 litai. Certainly, we could increase the minimum wage to 90-100 litai. However, if they become mandatory, no one would be able to pay less, and the number of jobless people would climb several times. That is why we are discussing which is better—to leave people without work straight away or allow them to earn something, because we have no means to support the unemployed. Neither of these options are good!

[Zilinskaite] **It looks like the number of jobs will drop considerably next year. How are you going to create new jobs?**

[Stankevicius] The official current figure of jobless people in Lithuania is 30,800. However, that is only the tip of the iceberg—many people work part-time, some of them are on leave without pay, while others simply do not apply to the employment office and earn a living anyway they can.

I think that the restructuring of industry will bring many enterprises to bankruptcy in the near future. We are preparing for mass unemployment. I pray that our predictions do not come true. I suppose, however, that we may have about 200,000 jobless people by the end of the coming year. The experience of most countries shows that the constant unemployment rate is about 10 percent. The same is likely to inevitably occur here, at least until the economy gets back on its feet.

Private structures must create new jobs. The possibilities of the state are very much restricted. Therefore, it is necessary to grant credits and tax privileges to businessmen, and create the most favorable conditions for foreign investments. Employment is the outcome of the state's economic policy. [passage omitted]

Officials Receive Pensions, Wages Increase

LD0601163694 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 6 Jan 93

[Text] At today's news conference by the prime minister, journalists were informed that the government has decided to increase pensions and wages of officials at institutions maintained from the budget from 1 January.

The prime minister said this will not completely compensate for December's price increases but it is something. According to Adolfas Slezevicius, inflation was 6.2 percent in December.

Opposition To Draft Law on State of Emergency

LD0601235194 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 6 Jan 94

[Text] Leaders of six opposition parties signed a joint statement on the state of emergency law which is currently under discussion by the Lithuanian Seimas, ELTA reported.

The statement reads that some articles which have already been adopted by the vote of the Lithuanian Democratic Labor party faction are a challenge to the constitutional state system of the Republic of Lithuania. With the help of the law on state of emergency the Lithuanian Democratic Labor party creates conditions for itself to be able to suspend the functioning of essential clauses of the constitution on the decision of the party's faction alone on the pretext that it poses a threat to the public order, thus to violate basic human rights and freedoms, to introduce the dictatorship of their party by means of allegedly legal actions of coercion.

We stress, the statement goes on, that the right of the nation and of every citizen to oppose anyone who encroaches on the constitutional state system is inalienable.

The statement was signed by the leaders of the Lithuanian Democrats party, the Lithuanian Christian Democrats Party, the Independence Party, the Lithuanian Liberal Party, the Lithuanian Nationalist Union and the Lithuanian Conservative Party.

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